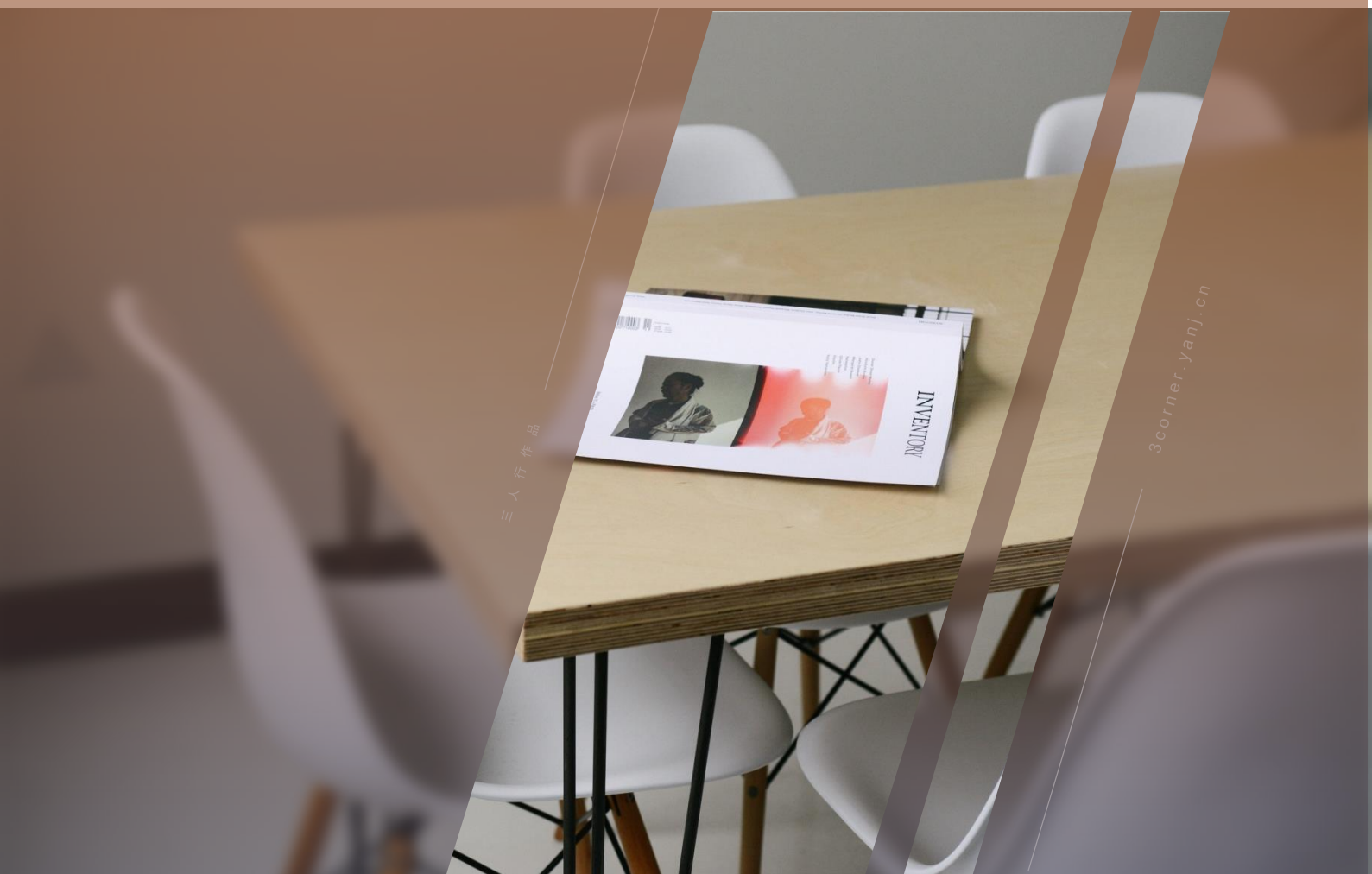


IFL HOUSING FINANCE LIMITED



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8th Annual Report

2022-23

INSIDE THE REPORT

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CORPORATE OVERVIEW

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CORPORATE OVERVIEW



MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

It is an absolute privilege to write to you as Chairman & Managing Director of your Company and present the 8th Annual Report of IFL Housing Finance Limited (hereinafter referred to as "IFLHFL") for the financial year ended March 31, 2023.

In the financial year 2022-23, our overall performance showed significant improvement despite the challenges posed by increasing macroeconomic tensions and geopolitical uncertainties. These rising inflation and the subsequent interest rate hikes by RBI, posed additional challenges in strategy formulation and decision making. Even though, we have successfully managed to strengthen and maintain quality portfolio, sustain our profitability and while simultaneously investing in long-term growth.

We are committed to playing our part in this journey towards a better future. As we believe that our services can make a real difference in people's lives, we have focused on affordable housing finance, which is aligned with the government's,

vision of 'Housing for All'. With a structured approach to credit underwriting and a formidable team of professionals, we are geared to help our customers fulfil their dreams of homeownership. Simultaneously, our focussed efforts have also increased in Gold Loan segment and we have been able to give quick loans to people with urgent monetary requirements, without compromising with the credibility of the customer and collateral. This has indeed made a huge impact and helped people in times of crisis.

Your Company has witnessed significant growth and concluded the year with a total of 70 branches. Customer base has exceeded 17728, while portfolio reached ₹25,089.27 Lakhs and net worth amounted to ₹ 8,537.84/- Lakhs

Your company's Financial Results are prepared as per Indian Accounting Standards (Ind AS).

- Gross AUM stood at Rs. 25,089.27 Lakhs as of March 2023 from Rs. 14,651.46 Lakhs in the previous year which marks a 71.24% growth.
- Expanded our network to 70 branches in 4 states and are having more than 17728 active customers.
- Profit After Tax in the FY 2022-23 stands at Rs. 447.39 Lakhs.
- We are having a Credit Rating of IVR BBB-Stable (IVR Triple B Minus with Stable Outlook) from Infomerics Valuation and Ratings Pvt Ltd.
- Total Revenue from all operations grew by 94.94% to Rs. 4,576.70 Lakhs from Rs. 2,347.72 Lakhs in FY22

- Profit before Tax of Rs. 624.97/- Lakhs as compared to Rs. 535.41/- Lakhs in the previous year, recording an increase of 16.72%.
- Net Interest Income (NII) grew by 54.04% to Rs. 2,583.05 Lakhs in FY23 from Rs. 1,676.90 Lakhs in FY22. Net Interest Margin (NIM) on Average Interest Earning Assets is 12.34% in FY23 as compared to 13.09% in FY22.

CRAR dropped to 52.83% in FY23 from 72.11% in FY22, but the same is still much higher than the statutory minimum requirement of 15% as on 31.03.2023.

During the FY 2022-23, we have associated with several prominent lenders for onward lending. The aspiration of owning a home is a dream for most Indians. With steady growth in working class population that aspires to have own homes, the opportunity for growth in the housing finance market continues to be high. We recognise this underserved need and set our core focus on making the dreams of lower and middle income (LMI) families living in semi urban and rural India, come true.

At IFLHFL, our focus has always been on Affordable Housing Finance with an aim to fulfil the aspirations of self-employed, lower and middle income families, largely in Rural India, by financing the purchase and/or construction, repair and renovation of their homes.

We are proud to share that our customer base has increased to 17,728 customers till date. Despite the perceived credit risks associated with these segments, our proprietary underwriting process, risk management framework, technology platform and financial resources has enabled us to build a portfolio with best in class asset quality consistently for years. IFLHFL believes in the social impact of its business in terms of enhanced life style, better

financial discipline and inclusion into the financial main stream of its customers. To sustain this IFLHFL equally believes in creating significant and long lasting value for all its key stake holders.

We will continue to scale our book across product segments and accelerate our digitalisation efforts. We are committed to improve our profitability and do not compromise on quality of portfolio while simultaneously having eye on long-term growth. I take this opportunity to express gratitude to all our stakeholders including employees, customers, bankers, and regulators for their invaluable support and whose contribution has helped us to make and achieve the set targets of the Company. We look forward to the continued support of all them in taking the Company forward on the journey of sustainable and profitable growth.

Thanking You,

With Best Wishes,

Sd/-

Gopal Bansal

Chairman & Managing Director

DIN: 01246420

ABOUT US

You company is a closely held limited company, established in 2015 with the objective of doing business of Affordable Housing Finance. It got registered with National Housing Bank on December 12, 2017 and having registration no. 12.0164.17. Your company is a subsidiary of India Finsec Limited, a BSE listed company and registered NBFC in business of funding of Loan Against Property & Unsecured Loans, primarily in Delhi NCR.

COMPANY'S MISSION, VISION & VALUES

OUR VALUES:

INTEGRITY: The quality of being honest and having strong moral principles and transparency while dealing with customers.

FULFILLMENT: Strive to achieve its goals and projections and also help its customers to fulfill their dreams "APNA GHAR".

LONG TERM RELATION: Long term relationship with its customers as well as its employees, with regular effort to support customers on easy go basis and keep on making changes to an existing product, idea, employee benefits, etc.

OUR MISSION:

IFL Housing wishes every family to own a home of their own through our customer friendly & new age credit programs despite low credit scores, informal incomes, low eligibility on papers.

OUR VISION:

To become first choice Housing Finance company among individuals from EWS or low income category.



ABOUT US

OUR PRODUCTS



HOME LOAN

- Home Loan for Purchase and/or Construction of New Unit
- Purchase of Old Unit
- Extension / Renovation of Existing Unit

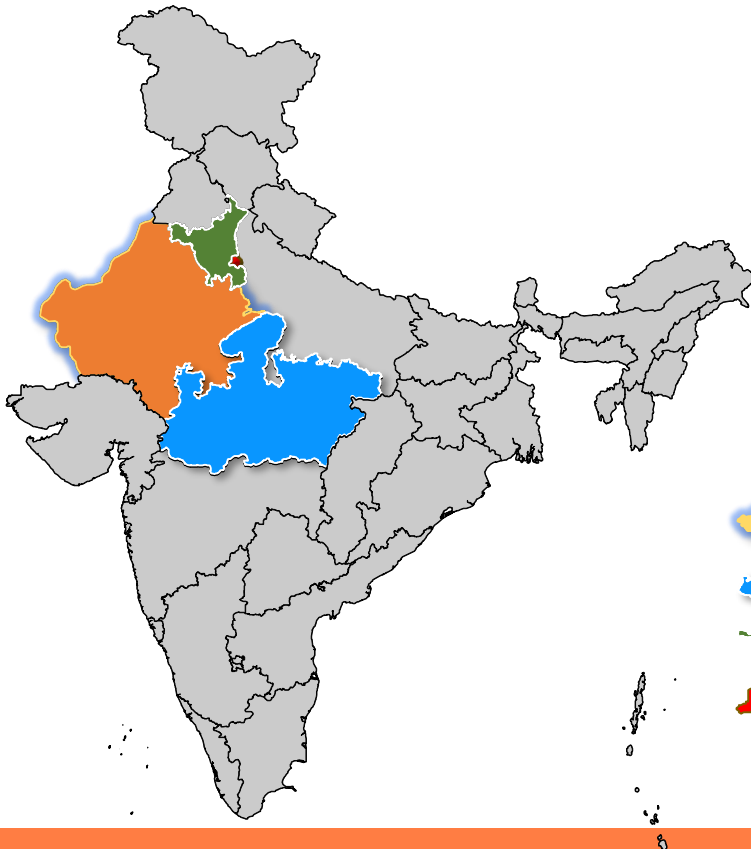
LOAN AGAINST PROPERTY (LAP)

- Loan Against Self Acquired Residential Property
- Loan Against Self Acquired Commercial Property
- Loan For Commercial Purchase (Shop/Office Only)



GOLD LOAN

- Loan Against Collateral Of Gold Jewellery



OUR PRESENCE

- HEAD OFFICE IN DELHI
- 70 **BRANCHES** ACROSS 3 STATES AND 1 UNION TERRITORY INCLUDING DELHI, RAJASTHAN, HARYANA AND MADHYA PRADESH



RAJASTHAN

38



MADHYA PRADESH

12



HARYANA

1



DELHI

19

CORPORATE INFORMATION

LENDERS

BANKS

- State Bank of India
- Au Small Finance Bank Limited
- ESAF Small Finance Limited
- City Union Bank
- Federal Bank
- South Indian Bank
- CSB Bank Limited
- DCB Bank Limited

FINANCIAL INSTITUTIONS

- ⑩ Hinduja Housing Finance Limited
- MAS Financial Services Ltd
- MAS Rural Housing and Mortgage P. Ltd
- Grow Money Capital Pvt. Ltd.
- Ambit Finvest Private Limited
- Incred Financial Services Limited
- Sundaram Home Finance Limited
- TATA Capital Financial Services Limited
- Shriram Housing Finance Limited
- Northern Arc Capital Limited
- Netafim Financing
- Nabsamruddhi Finance Limited
- Manappuram Finance Limited
- Abans Finance Private Limited

REGULATORY BODY

- NHB

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

- Mr. Gopal Bansal (Chairman & Managing Director)
- Ms. Sunita Bansal
- Mr. Ashish Bansal
- Ms. Kriti Suri

INDEPENDENT DIRECTORS

- Mr. Amit Kumar Aggarwal
- Mr. Ramesh Bansal
- Mr. Devi Dass Agarwal

COMPOSITION OF COMMITTEES

AUDIT

- Mr. Amit Kumar Agarwal (Chairman)
- Mr. Ramesh Bansal
- Mr. Gopal Bansal

NOMINATION & REMUNERATION

- Mr. Amit Kumar Agarwal (Chairman)
- Mr. Ramesh Bansal
- Mr. Devi Dass Agarwal

RISK MANAGEMENT

- Mr. Gopal Bansal (Chairman)
- Mr. Ashish Bansal
- Mr. Amit Kumar Agarwal
- Ms. Purna Matta Arora
- Mr. Ashish Bansal
- Mr. Nishant Jaiswal
- Mr. Vijay Kumar Dwivedi

ASSET LIABILITY MANAGEMENT

- Mr. Gopal Bansal (Chairman)
- Mr. Ashish Bansal
- Ms. Purna Matta Arora
- Mr. Vijay Kumar Dwivedi

LEADERSHIP TEAM

- Mr. Somesh Tewari (CEO)#
- Ms. Purna Matta Arora (CFO)*
- Mr. Vijay Kr. Dwivedi (Company Secretary and Chief Compliance Officer)
- Mr. Bhupinderjeet Singh (Compliance Officer)
- Mr. Nishant Jaiswal (Zonal Credit Manager)
- Ms. Rekha Behl (Grievance Head)
- Mr. Kishan Kumar (Regional Head-Delhi)

* Appointed w.e.f 01.11.2022 # Appointed we.f. 10.03.2023

CORPORATE INFORMATION

AUDITORS

STATUTORY AUDITORS

M/s Ajay Rattan & Co.,
Chartered Accountants
1113, 11th Floor,
Arunachal Building,
Barakhamba Road, New
Delhi-110001

INTERNAL AUDITORS

M/S Mukesh M Gupta
& Associate
Chartered
Accountants
B-34, IIIrd Floor, Near
Metro Pillar No. 43-44,
Laxmi Nagar, Delhi-
110095

SECRETARIAL AUDITORS

M/s Sarita Singh &
Associates,
Company Secretaries,
A-2166, 2nd Floor,
Greenfield Colony,
Faridabad, Haryana-
121010

REGISTRARS & TRANSFER AGENTS

Skyline Financial Services Private Limited

D-153 A | 1st Floor | Okhla Industrial Area, Phase - I | New Delhi-110 020. Direct no-011-41044923

Fax: +91 11 26812682 Web: www.skylinerta.com

ANNUAL GENERAL MEETING

10:30 A.M., TUESDAY, JUNE 20TH, 2023

OTHER INFORMATION

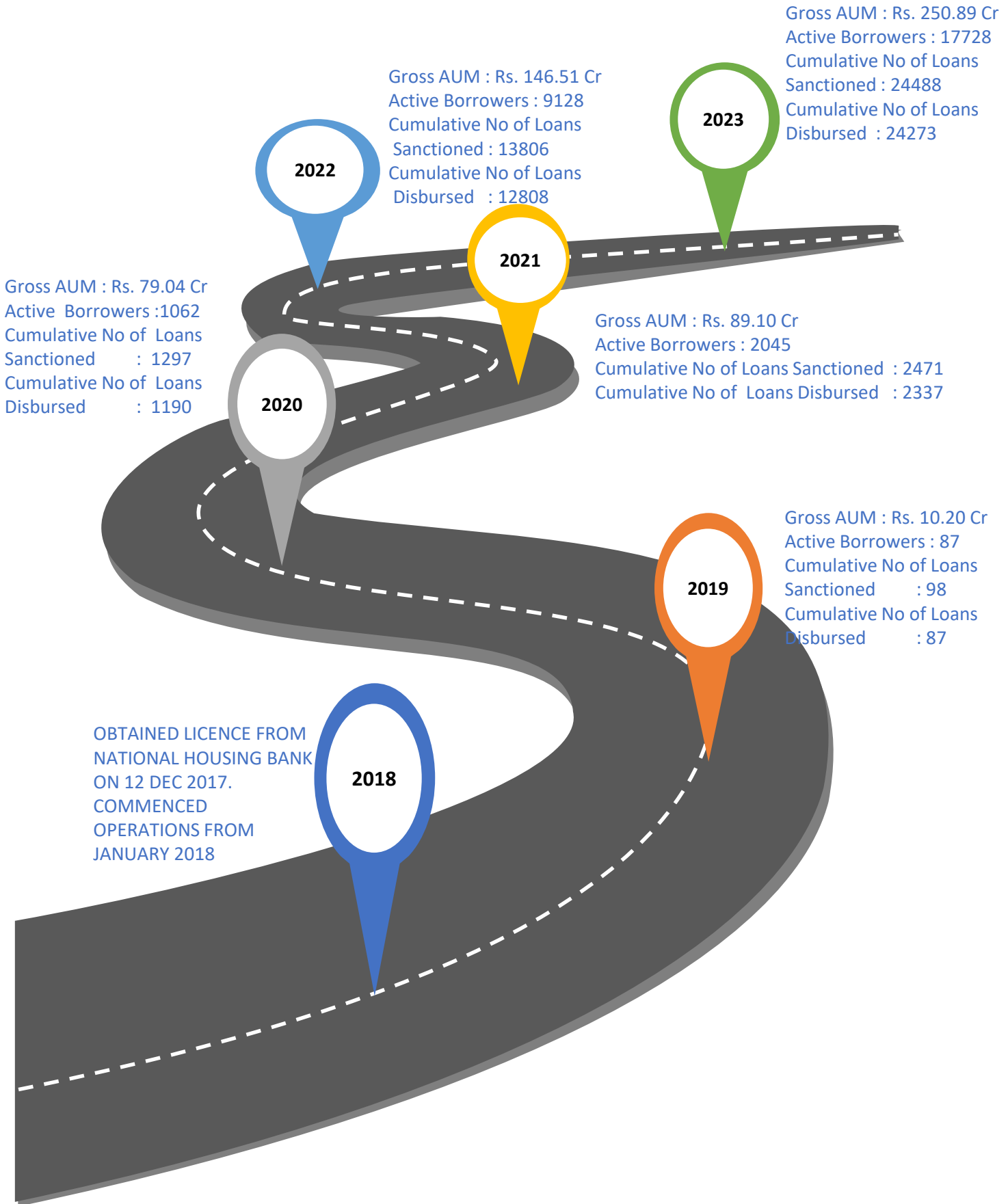
CIN: U65910DL2015PLC285284

REGISTERED OFFICE AND CORORATE OFFICE

D-16, 1st Floor, Above ICICI Bank, Sector- 14, Prashant Vihar, New Delhi- 110085

Tel: +91 11 47096097 **E-mail:** info@iflhousingfinance.com **Website:** www.iflhousingfinance.com

HISTORY TIMELINE



BUSINESS OVERVIEW

Your Company follows a customer-Centric business philosophy, with its growth strategy centred on transparency in terms of offerings, suitability of products and variety of choices to meet a range of needs of its customers. Your Company is a Non deposit-taking housing finance company registered with the National Housing Bank w.e.f 12th December, 2017 and is focused on providing financing products mainly to the lower and middle income (LMI) segment belonging to Rural India.

Your Company has aligned its business strategies to better identify the needs of customers in the LMI segment belonging to Rural India and accurately estimate their income and repayment capabilities.

Moreover, your Company has created separate business verticals for housing loans. This allows each vertical to focus on its core business and use its expertise to offer flexible products that suit its customers' needs. An extensive distribution network, backed by focused marketing and sales initiatives, ensures a strong brand recall for its products, which find special appeal among first time buyers and end users.

Your Company has developed a suite of products and robust capabilities over the years that enable it to effectively harness the emerging opportunities in the housing finance segment, particularly in the LMI segment primarily in Tier V and Tier VI cities (Rural India). An extensive distribution network, backed by focused marketing and sales initiatives, ensures a strong brand recall for its products, which find special appeal among first time buyers and end users.

MARKETING AND DISTRIBUTION



4

No of States/ Union
Territory



70

No of Branches Apart
from one HO

As on March 31, 2023, the Company had a total of 70 branches across 4 states - 38 branches in Rajasthan, 12 in Madhya Pradesh, 1 in Haryana and 19 in Delhi apart for Head Office in Delhi.

The company through its inhouse sales executives, effectively caters to the financial needs of the Low and Middle Income (LMI) segment -its key target customers. The Company provides utmost convenience to its customers with doorstep services customized to suit client needs.

Led by customization of offerings according to customer demographics, the Company has built a strong brand equity across tier V and tier VI areas backed by a deeply entrenched business network.

COLLECTION AND RECOVERY PROCESS

Your Company has inbuilt collection team and robust in-house collection app "GoCollect", enables the Company to undertake hassle-free collection and recovery processes.

- Default Indicator:** Defaulter list is generated at each due date and communicated to Collection team. Collection team starts working with the allocation of defaulter
- Collection Officers:** Working through Mobile Application Go Collect, Collection cash/cheque/transfer and generate receipt to customer through Collection App.
- Controls:** Ensure Cash/ Cheque deposited by EOD through receipts generated from Collection App and verify all modes of payment and reconcile with HO accounts.
- Performance Review:** Review performance of the team and provide incentives as per the targets of the Collection policy on monthly basis.

FUNDING SOURCES



OUTSTANDING

EQUITY Rs. 6592.30 Lakhs (PY Rs. 6047.34 Lakhs)

FREE RESERVES Rs. 2484.88 lakhs (PY Rs. 1675.50 Lakhs)

BORROWINGS Rs. 16947.21 Lakhs (PY Rs. 8,317.98 Lakhs)

The Company allotted 54,49,600 equity shares (P.Y. 60,05,400) of Rs. 10 each at a premium of Rs. 8.35 per share (P.Y. Re. 1) pursuant to the scheme of right issue.

The company is having free reserves which includes Retained Earnings till year end and Securities Premium but excluding Statutory Reserve u/s 29C of NHB Act, 1987.

The company had passed Special Resolution u/s 180(1)(c) and other provisions, if any of Companies Act, 2013 to borrow money for aggregate amount not exceeding Rs. 500 Crores. Taking care of the maximum borrowing limit, the company has drawn disbursement from several new lenders including Northern Arc, Tata Capital, Sundaram Housing Finance Limited, Shriram Housing Finance Limited, Netafim Financing, Ambit Finvest private Limited, Incred Financial Services Limited, ESAF Small Finance Limited, Manappuram Finance Limited and Nabsamruddhi Finance Limited. The company is always regular in paying all its debts with no single time default.

SEGMENT-WISE OPERATIONAL HIGHLIGHTS

The company is having 58.63% of its total portfolio in Housing Loan, 7.11% in Loan Against Property and 34.26% in Gold Loan Segment.

The Average Ticket Size on outstanding loans are:

- a. Home Loan : Rs. 2.55 Lakhs
- b. Loan Against Property : Rs. 2.30 Lakhs
- c. Gold Loan : Rs. 0.90 Lakhs

The Average Tenure on outstanding loans are:

- a. Home Loan : 70 Months
- b. Loan Against Property : 60 Months
- c. Gold Loan : 11 Months

The Average LTV on outstanding loans are:

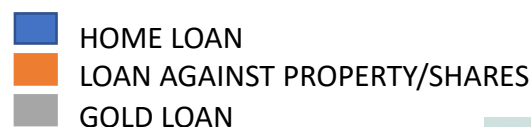
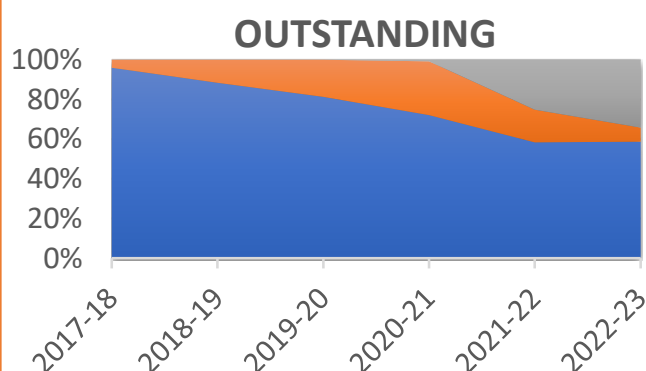
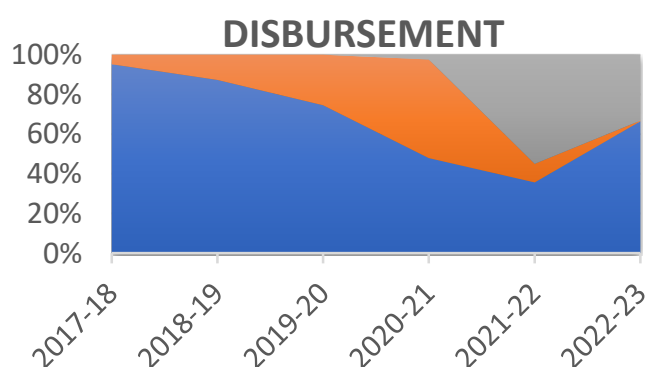
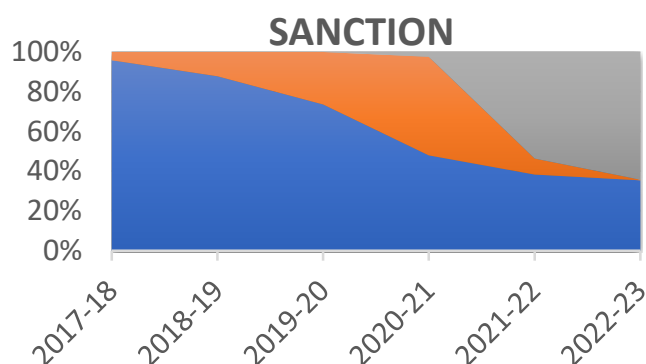
- a. Home Loan : 20.02%
- b. Loan Against Property : 19.89%
- c. Gold Loan : 73.22%

The Average ROI on outstanding loans are:

- a. Home Loan : 23.15%
- b. Loan Against Property : 23.82%
- c. Gold Loan : 14.03%

Having the Total GNPA of 0.99% and NNPA of 0.78%, out of which:

Segment	GNPA %	NNPA %
Home Loan	0.85	0.66
Loan Against Property	0.14	0.12
Gold Loan	0.00	0.00
Total	0.99	0.78



KEY HIGHLIGHTS

FY 2022-23



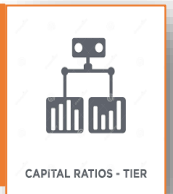
GROSS AUM
Rs. 250.89 Cr.



DISBURSEMENT
Rs. 274.30 Cr.



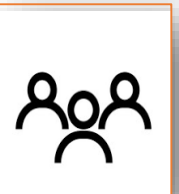
NON PERFORMING ASSETS
GNPA 0.99%; NNPA 0.78%



CAPITAL ADEQUACY RATIO (CRAR)
52.83%



OUR PRESENCE
State: 4; Branches: 70



EMPLOYEES
471

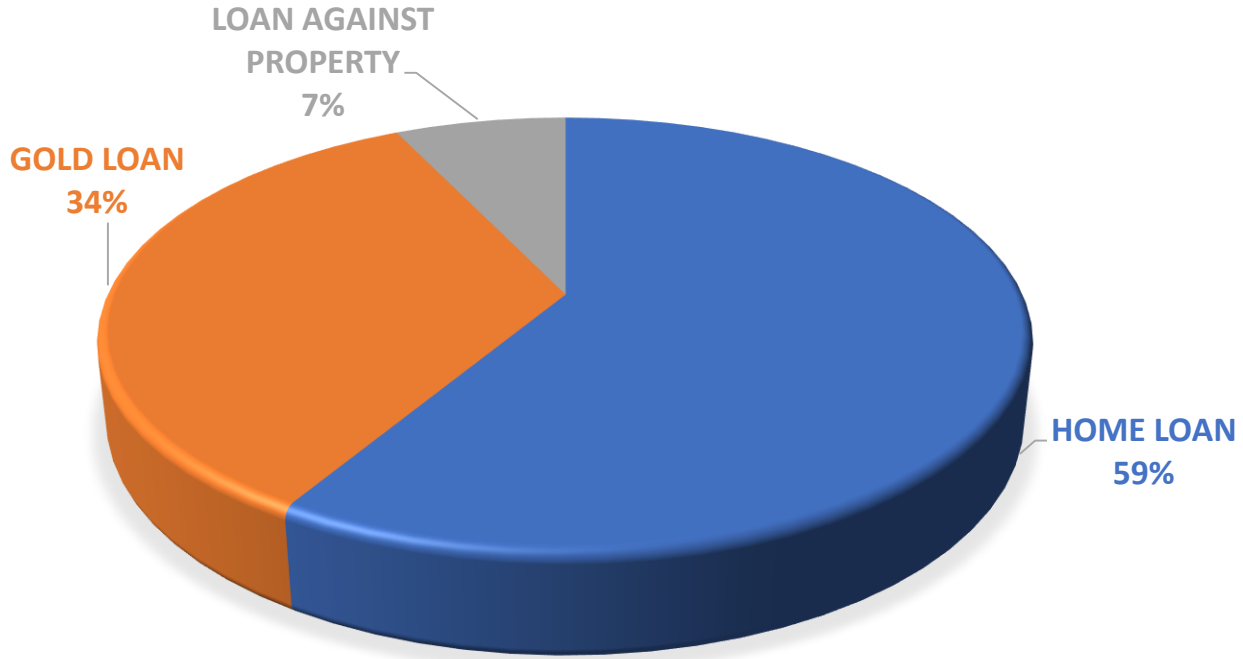


KEY HIGHLIGHTS

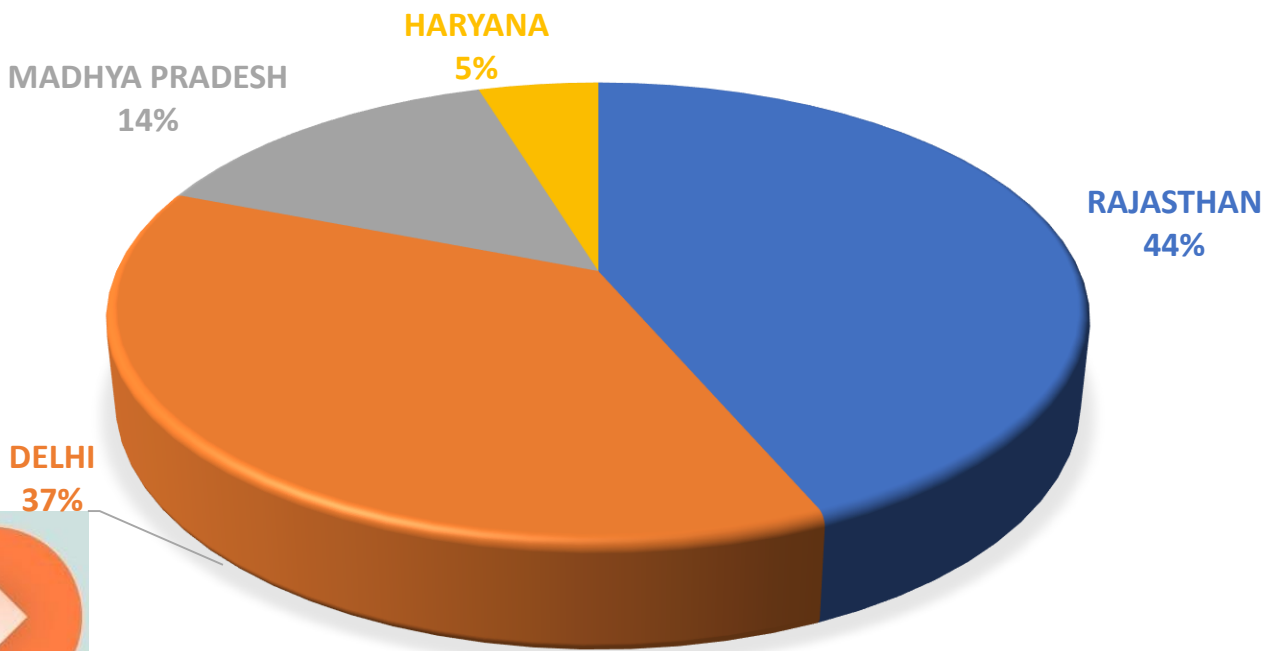
FY 2022-23



SEGMENT-WISE GROSS AUM



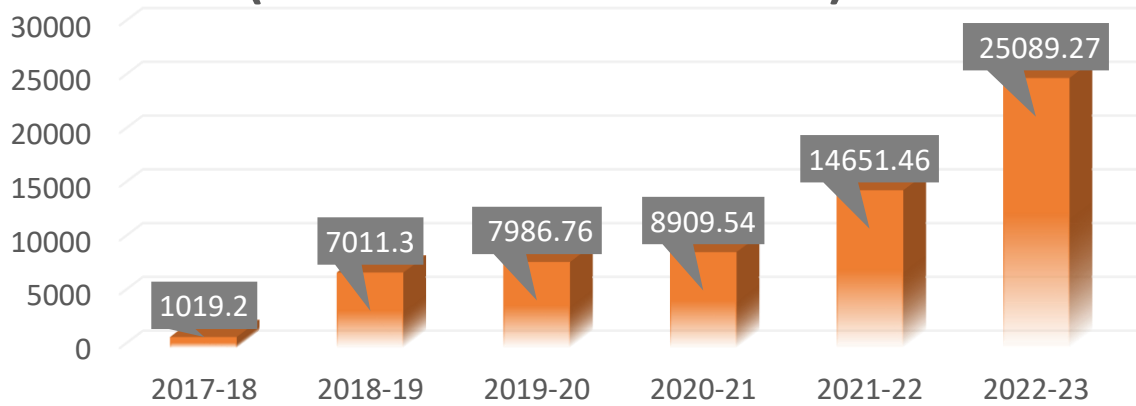
GEOGRAPHICAL-WISE GROSS AUM



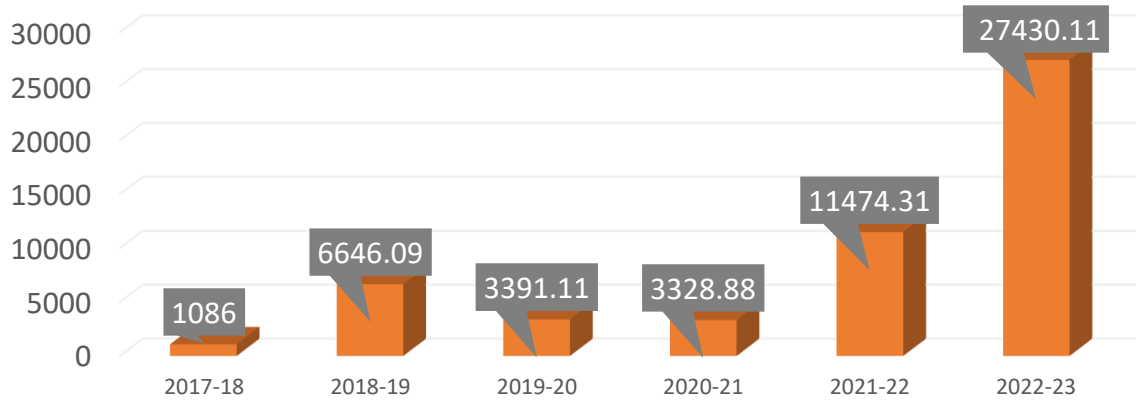
FINANCIAL PERFORMANCE HIGHLIGHTS

BUSINESS PARAMETERS

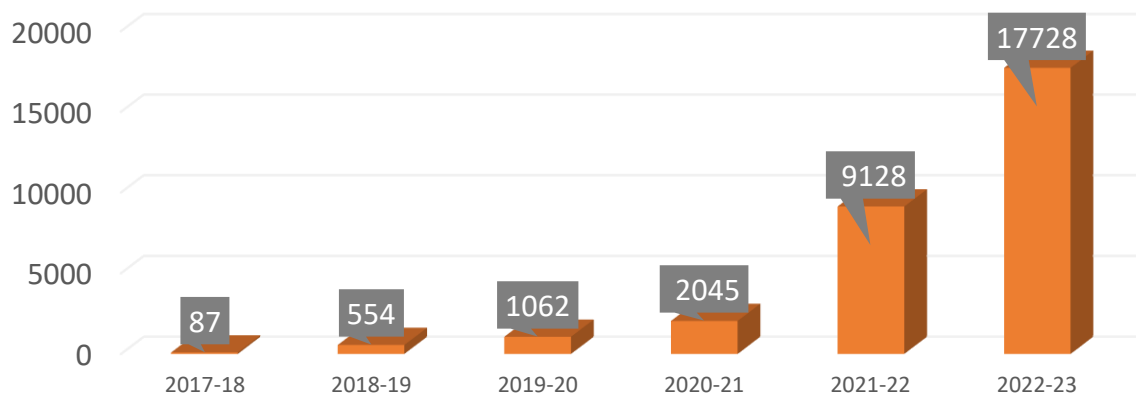
GROSS ASSET UNDER MANAGEMENT (GROSS AUM IN LAKHS)



DISBURSEMENT (IN LAKHS)



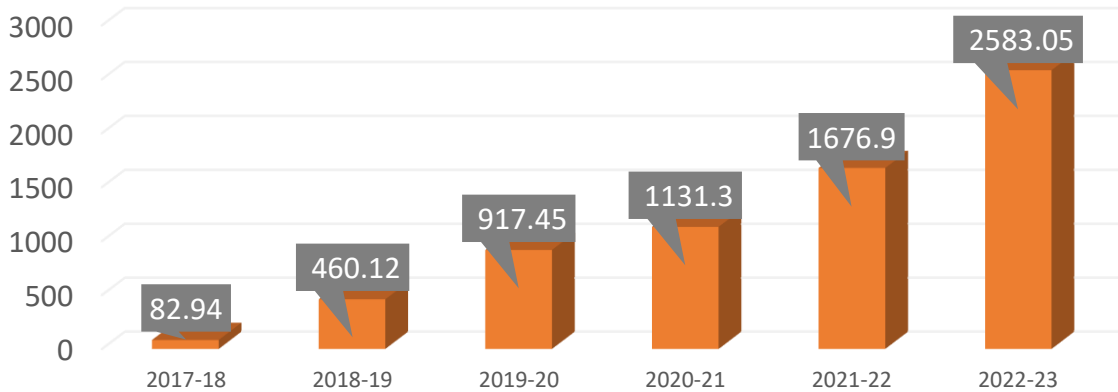
NUMBER OF ACTIVE BORROWERS



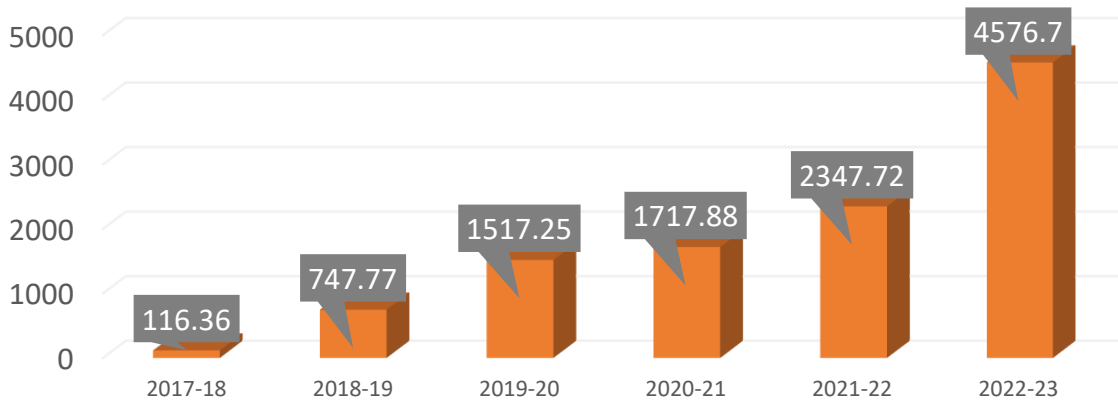
FINANCIAL PERFORMANCE HIGHLIGHTS

OPERATIONAL PARAMETERS

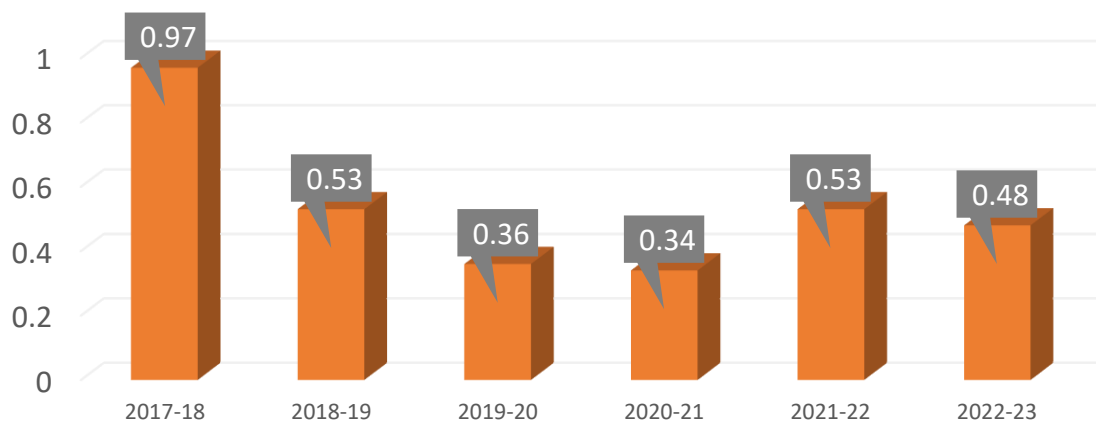
NET INTEREST INCOME (IN LAKHS)



GROSS TOTAL INCOME (IN LAKHS)



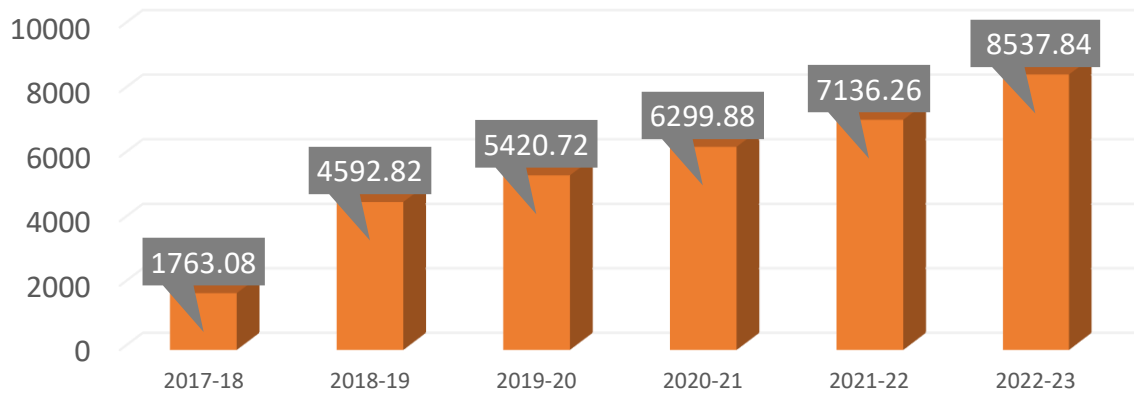
COST TO INCOME (TIMES)



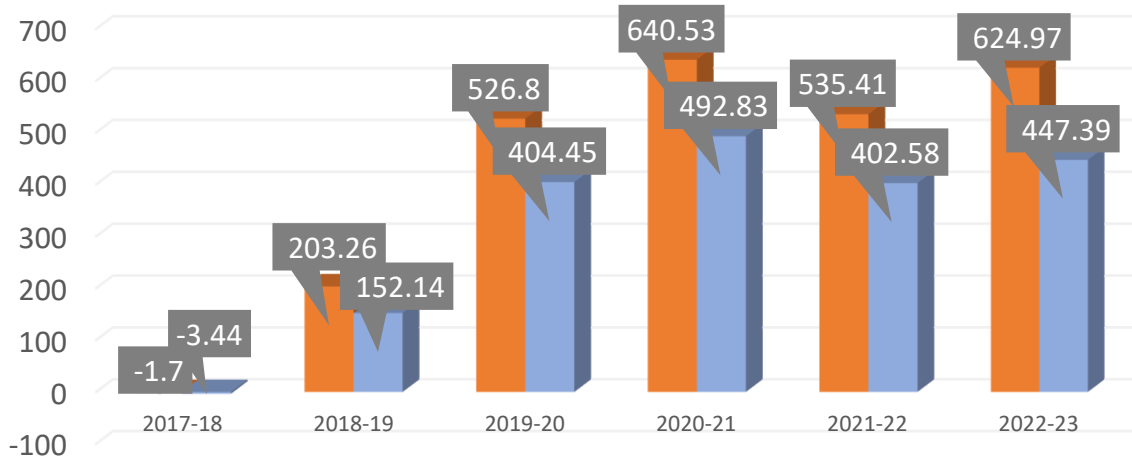
FINANCIAL PERFORMANCE HIGHLIGHTS

FINANCIAL PARAMETERS

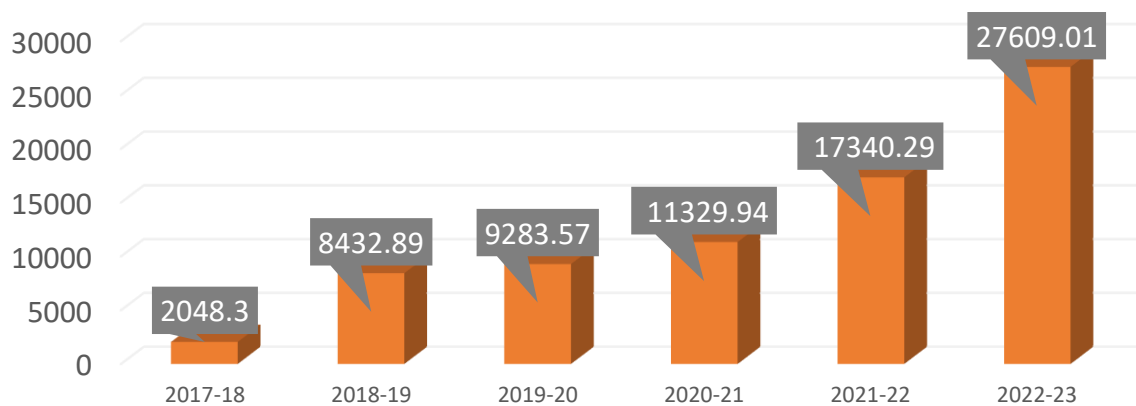
TANGIBLE NET WORTH (IN LAKHS)



PBT, PAT (IN LAKHS)



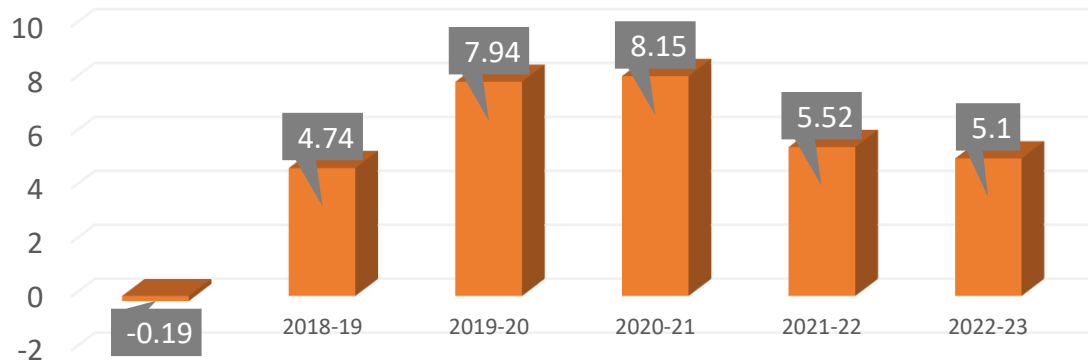
TOTAL ASSETS (IN LAKHS)



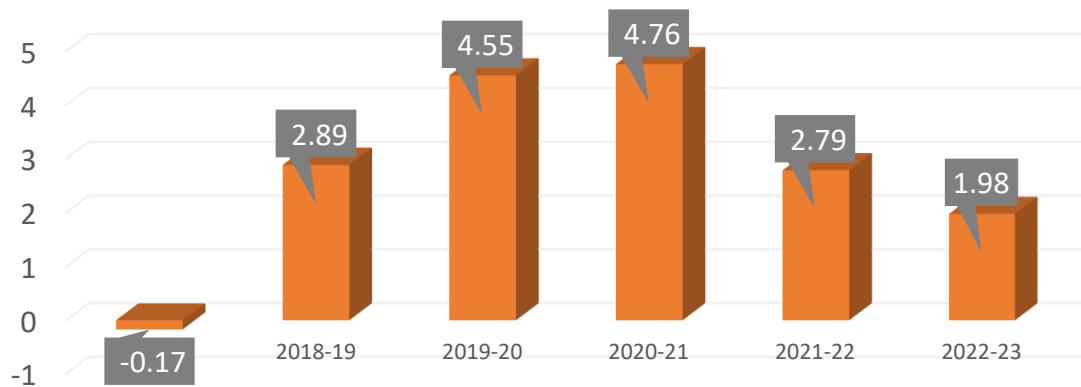
FINANCIAL PERFORMANCE HIGHLIGHTS

FINANCIAL PARAMETERS

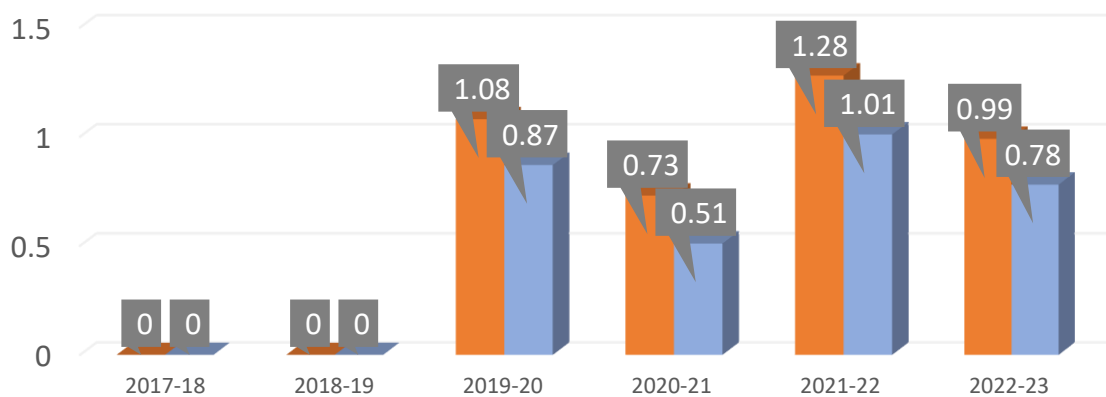
RETURN ON AVERAGE EQUITY (%)



RETURN ON AVERAGE ASSETS (%)



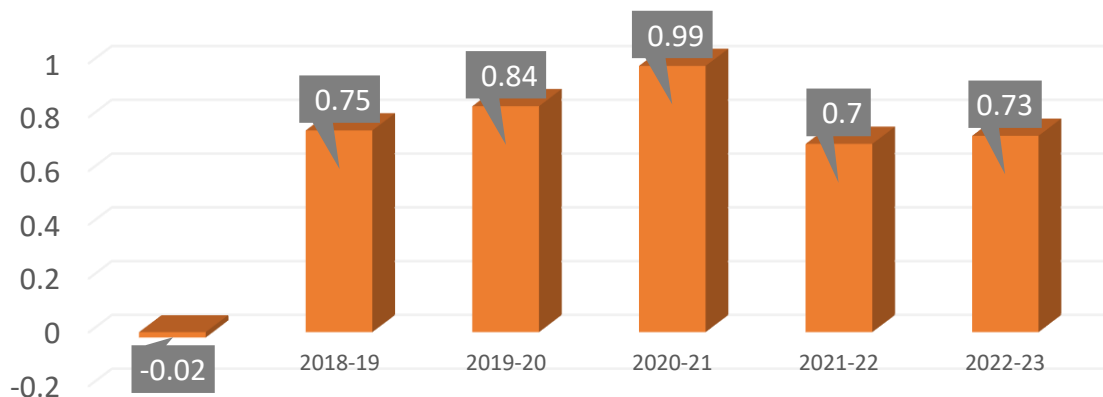
GNPA & NNPA (%)



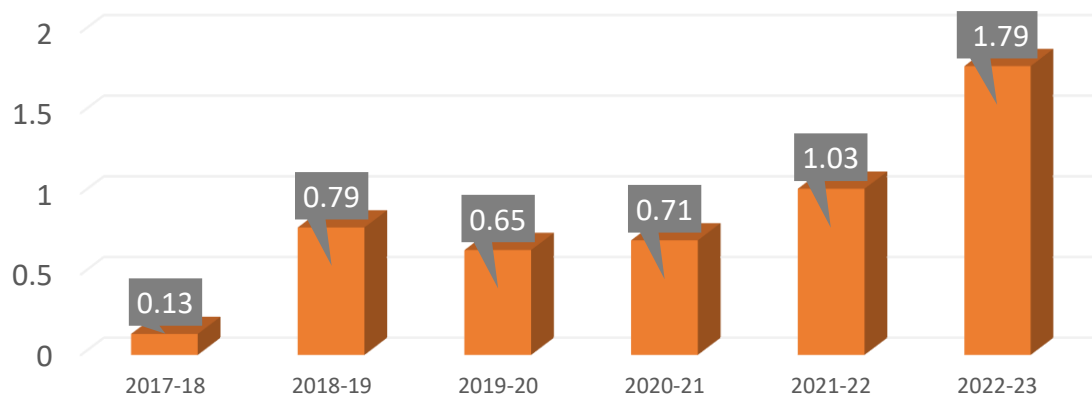
FINANCIAL PERFORMANCE HIGHLIGHTS

KEY FINANCIAL RATIOS

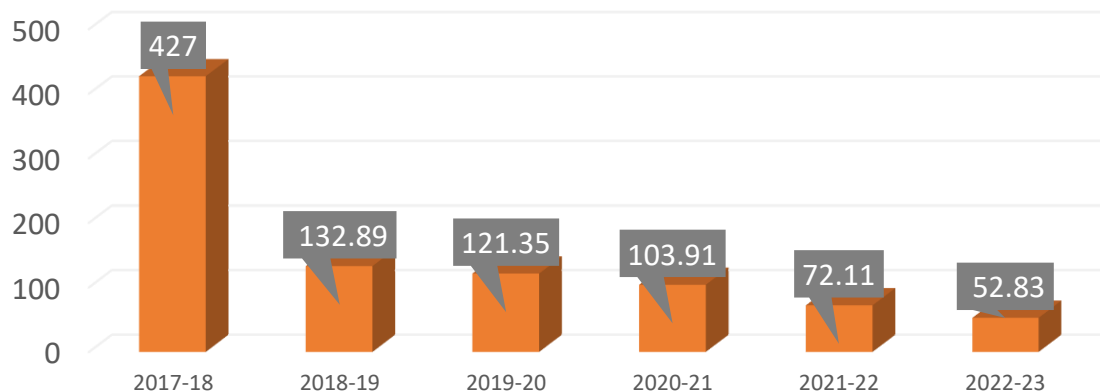
EARNING PER SHARE



DEBT EQUITY RATIO



CRAR %



FINANCIAL PERFORMANCE HIGHLIGHTS

PARAMETERS	FY23	FY22	REMARKS
GROSS AUM (RS. IN LAKHS)	25,089.27	14,651.46	71.24%
DISBURSEMENT (RS. IN LAKHS)	27,430.11	11,474.31	139.05%
PAT (RS. IN LAKHS)	447.39	402.58	11.13%
GROSS NPA (AS % OF GROSS AUM)	0.99	1.28	(22.66%)
NET NPA (AS % OF GROSS AUM)	0.78	1.01	(22.77%)
CAPITAL ADEQUACY RATIO (CRAR) (%)	52.83	72.11	(26.74%)
TIER I (%)	52.42	71.58	(26.77%)
TIER II (%)	0.41	0.53	(22.64%)
RETURN ON AVERAGE ASSETS (%)	1.98	2.79	(29.03%)
RETURN ON AVERAGE EQUITY (%)	5.10	5.52	(7.61%)
DEBT EQUITY RATIO (TIMES)	1.79	1.03	73.78%
NET OWNED FUND (RS. IN CRORES)	8,537.84	7,136.26	19.64%
NET PROFIT MARGIN (%)\$	9.78	17.15	(42.97%)
NET INTEREST MARGIN (NIM) (%)	12.34	13.09	(5.73%)
TOTAL OPERATING EXPENSES TO NII (TIMES)	0.85	0.74	14.86%
COST TO INCOME (TIMES)	0.48	0.53	9.43%
OPEX TO AVG ASSET (TIMES)	0.10	0.09	11.11%
BRANCHES (NUMBERS)	70	58	20.69%
ACTIVE CUSTOMERS (NUMBERS)	17,728	9128	94.22%
EMPLOYEE STRENGTH (NUMBERS)	471	437	7.78%
CREDIT RATING	IVR BBB- /Stable	BWR BBB- /Stable	

MEMORIES AT A GLANCE

200 CR CLUB CELEBRATION



BIRTHDAY CELEBRATION



GANESH CHATURTHI



HOLI CELEBRATION



MEMORIES AT A GLANCE

WOMEN'S DAY



DIWALI



CHRISTMAS



INDEPENDENCE DAY

MEMORIES AT A GLANCE

OFFICE GET TOGETHER



NEW BRANCH OPENING



PERFORMANCE RECOGNITION



TRAINING SEMINARS

STATUTORY REPORTS



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of **IFL Housing Finance Limited** will be held on Tuesday, 20th June, 2023 at 10:30 a.m. at the registered office of the company at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi - 110085 to transact the following businesses:

Ordinary Business:

1. Adoption of Audited Financial Statements

To receive, consider and adopt the financial statements of the company for the financial year ended March 31, 2023 including Audited Balance Sheet as on March 31, 2023, Cash Flow Statement and the Statement of Profit and Loss, for the financial year ended on March 31, 2023, along with the reports of the Board of Directors ('the Board') and the Auditors thereon.

2. To appoint a Director in place of Mr. Gopal Bansal (DIN: 01246420), who retires by rotation and, being eligible, offers himself for re-appointment.

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Gopal Bansal (DIN: 01246420), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. Re-appointment of the Statutory Auditors

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee, M/s. Ajay Rattan & Co., Chartered Accountants, having Firm Registration No. 012063N be and are hereby re-appointed as the Statutory Auditors of the Company for the second consecutive term of five years, from the conclusion of this 8th Annual General Meeting till the conclusion of the 13th Annual General Meeting to be held in the year 2028, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

By Order of the Board of Directors
For IFL Housing Finance Limited

Place: New Delhi
Date: 13.06.2023

Sd/-
Vijay Kumar Dwivedi
Company Secretary

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.(Proxy Form is enclosed with this notice)
2. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
3. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, Monday to Friday between 11:00 A.M to 01:00 P.M.
4. Members are requested to bring the Notice of the Annual General Meeting along with the Attendance Slip with them duly filled in and hand over the same at the entrance of the meeting hall. (Attendance Slip is enclosed with this notice).

Annexure I to the Notice

Additional Information of Director seeking re-appointment at the 8th Annual General Meeting pursuant to Secretarial Standards -on General Meetings.

Name of the Director	Mr. Gopal Bansal
Date of Birth	13/09/1975
Qualifications	Chartered Accountant
Remuneration last drawn (In Rupees)	150,000/-Per Month
Nature of his expertise in specific functional areas	Finance and Taxation
Brief Profile	<p>A Chartered Accountant that has created strides of excellence, Mr. Gopal Bansal is a name to reckon with. With the expertise of 20 years in multiple fields such as finance, portfolio management, taxation, treasury management, business takeovers, finance product designing, corporate law, mergers, asset recovery and asset restructuring, he is a maestro that plays a fundamental role in the functioning of IFL Housing Finance Limited.</p> <p>An experienced professional, Mr. Bansal strategies and directs the company towards the path of fulfilling its mission and goals. Under his guidance, IFL has managed to offer assistance to a plethora of individuals and works to increase the number in the years to come.</p> <p>Mr. Bansal has been a part of the M/s India Finsec Limited family for over a decade. He plays an imperative role as a Promoter and Director of the company. It's his profound knowledge and skills that have enabled M/s India Finsec Limited to function with Zero NPA and have accelerated the growth rate.</p>
Name of other Public Companies in which the person holds the Directorships	India Finsec Limited
Name of the Public Companies in which the person holds the Memberships of committees of the Board	India Finsec Limited
Shareholding in the Company (Equity)	73,93,460 , equity shares as on March 31, 2022
Relationship with other Directors/Manager/Key Managerial Personnel	He is one of the Promoters of the Company.
Number of Board Meetings attended during the FY 2021-22	20 out 20

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 8th Annual Report on the business and operational performance of the Company together with the Audited Financial Statements and the Report of the Auditors for the financial year ended 31st March, 2023.

Your Company, IFL Housing Finance Limited (the 'Company') is a Housing Finance Company registered with the National Housing Bank ("NHB") which is engaged in the principal business of financing of construction, acquisition of houses, construction of new houses and redevelopment, expansion and extension of existing houses. Your company is also providing value base gold loan Services by lending against collateral of Gold Jewellery.

Your Company is regulated by the Reserve Bank of India ("RBI") and supervised by the National Housing Bank ("NHB").

1. OVERVIEW & STATE OF THE COMPANY'S AFFAIRS

The financial statements for the financial year ended March 31, 2023, forming part of this annual report, have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

During the year, the Company has earned a total income of Rs. 4,576.70/- Lakhs- as compared to Rs. 2,347.72/-Lakhs in the previous year, recording an increase of 94.94%.

Total expenses during the year were Rs. 3,951.73/- Lakhs as compared to Rs. 1,812.31/- Lakhs in the previous year, an increase of 118.04%.

During the year, the Company has earned a Profit before Tax of Rs. 624.97/- Lakhs as compared to Rs. 535.41/- Lakhs in the previous year, recording an increase of 16.72%. The Profit after Tax during the year was Rs. 447.39/- Lakhs as compared to Rs. 402.58/- Lakhs in the previous year, an increase by 11.13%.

As per IND AS, during the year, the Company has made Expected Credit Loss (ECL) provision (on loan assets) of Rs. 56.19 Lacs/- as compared to Rs. 30.72 Lacs/- in the previous year.

The tangible Net worth of the Company has increased from 7,136.26 Lakhs as on 31st March 2022 to Rs.8,537.84/- Lakhs as on 31st March 2023.

2. FINANCIAL PERFORMANCE

The Company's Performance during its Sixth year of Operations is summarized below:

PARTICULARS	(Rs. in Lakhs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Revenue from Operations	4,576.70	2,347.72
Expenses for the period	1812.31	1812.31
Profit/(Loss) before tax from continuing Operations	535.41	535.41
Current Income Tax for the period	188.90	188.90
Deferred Tax	(56.07)	(56.07)
Profit/(Loss) for the period	402.58	402.58
Transferred to Statutory Reserve under Section 29C of the NHB Act, 1987	80.52	80.52

3. DIVIDEND

In order to conserve resources for better growth opportunity, your directors have not recommended any dividend for the financial year ended 31st March, 2023.

4. TRANSFER TO RESERVES

During the year under review, your Company transferred Rs. 89.48 Lakhs to the Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 and U/s 36(1)(viii) of Income tax act, 1961, out of the amount available for appropriation.

5. CREDIT RATING

During the year under review, the Company has received the Credit Rating **of IVR BBB-Stable (IVR Triple B Minus with Stable Outlook)** from Infomerics Valuation and Ratings Pvt Ltd.

6. REVISION OF FINANCIAL STATEMENTS:

There was no revision in the Financial Statements of the financial year ended 31st March, 2023.

7. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business.

8. MATERIAL CHANGES AND COMMITMENTS

There is no material change which may affect the financial position of the Company between the end of the financial year and up to the date of this report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS INFUTURE

No order is passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

10. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurate with the size and nature of the Company's business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

11. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary/Joint Venture/Associate Companies.

12. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES.

The company has no subsidiaries, joint venture and associates companies so there is no requirement of description of performance of Subsidiaries and Joint Venture companies.

13. PUBLIC DEPOSITS

During the year under review, the company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

14. AUDITORS**STATUTORY AUDITORS**

Pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, M/s Ajay Rattan & Co., Chartered Accountants (Firm Registration No. 012063N) appointed by the members at the 4th Annual General Meeting held on September 26, 2019 as the statutory Auditor of the Company for a period of four years upto the conclusion of 8th Annual General Meeting to be held in year 2023 and is eligible for re-appointment.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 139(2) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 139(1) of the said Act.

The Board on recommendation of Audit Committee recommends to the members for re-appointment of the Statutory Auditor for conducting audit of financial statements of the Company from the conclusion of 8th Annual General Meeting till the conclusion of 13th Annual General Meeting to be held in the year 2028.

AUDITOR'S REPORT

All Observations made in the Auditors' Report and Notes forming part of the Financial Statements are self-explanatory. The Statutory Auditor has not made any qualifications or reservation in their Independent Auditor's Report. Further, there were no frauds reported by the auditor pursuant to sub-section (12) of section 143 of the Companies Act, 2013.

SECRETARIAL AUDITOR

CS Sarita Singh, Proprietor of M/s Sarita Singh & Associates, Practicing Company Secretary, was appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2023. The Secretarial Audit Report in Form MR-3 for the financial year 2022-23 forms part of this Report as Annexure-I. The Report do not contain any qualification, observation, reservation, adverse remark or disclaimer.

INTERNAL AUDITOR

Pursuant to provisions of Section 138 read with rules made there under, M/s Mukesh M Gupta & Associates, Chartered Accountants, was appointed as an Internal Auditor on 23rd May, 2022 for the financial year 2022-23 to check the internal controls and functioning of the activities of the Company and also recommends way of improvement. They have provided Internal Audit Report of the Company for the financial year ended March 31, 2023. The Internal audit is carried out on quarterly basis and the report is placed in the Audit Committee Meeting and Board Meeting for their consideration and direction. The Report do not contain any qualification, observation, reservation, adverse remark or disclaimer.

COST AUDITOR

The Company has not appointed the Cost Auditor pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, as the cost audit is not applicable to the Company.

15. SHARECAPITAL

The Authorized share capital of the Company is Rs. 7,000.00/- Lakhs divided into 700.00 Lakhs equity shares of face value of Rs. 10 each.

During the year under review, the Authorized share capital of the Company has increased from 6500.00 Lakhs to 7,000.00 Lakhs divided into 700.00 Lakhs equity shares of face value of Rs. 10 each.

The paid-up share capital of the Company has increased from Rs. 6,047.34 Lakhs as on 31st March 2022 to Rs. 65,92.30 Lakhs as on 31st March 2023.

A. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights so no disclosure is required as per rule 4 (4) of the Companies (Share Capital and Debentures) Rules 2014.

B. ISSUE OF SWEAT EQUITY SHARES

The Company has not issued sweat equity shares, so no disclosure is required as per rule 8(13) of the Companies (Share Capital and Debentures) Rules 2014.

C. ISSUE OF EMPLOYEE STOCKOPTIONS

The Company has not issued employee stock options, so no disclosure is required as per rule 12(9) of the Companies (Share Capital and Debentures) Rules 2014.

D. PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARE BY EMPLOYEES OR BY TRUSTEE FOR THE BENEFIT OF EMPLOYEES

The Company has not made any provision for purchase of its own share by employees or by trustee for the benefit of employees so no disclosure is required as per rule 16(4) of the Companies (Share Capital and Debentures) Rules 2014.

E. ISSUE OF SHARES ON PREFERENTIAL BASIS

The Company has not issued any shares on preferential basis during the financial year 2022- 2023.

F. ISSUE OF BONUS SHARES

The Company has not issued any bonus shares during the financial year 2022-2023.

G. ISSUE OF RIGHT SHARES

During the financial year, the Company has allotted 54,49,600 equity shares on 20.02.2023, on right issue basis to existing shareholders of the Company.

16. EXTRACTS OF ANNUAL RETURN (FORM NO. MGT 9)

The details forming part of the extracts of the Annual Return in Form MGT-9 has been attached as part of Directors' Report as Annexure –II and the same is available on the website of the Company www.iflhousingfinance.com.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS ANDOUTGO

The details of conservation of energy, technology absorption, foreign exchange and outgo are as follows:

A. CONSERVATION OFENERGY

Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy, are not applicable.

B. TECHNOLOGY ABSORPTION

Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding Technology absorption, are not applicable.

C. FOREIGN EXCHANGE EARNINGS ANDOUTGO

The foreign exchange earnings and outgo are given below:

PARTICULARS	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange outgo	NIL	NIL

18. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR), under section 135(1) of the Companies Act, 2013 is applicable to the Company during the year under report. Your Company has in place, Corporate Social Responsibility Policy, as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, which lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large.

The annual report on CSR activities is annexed separately to this report. The total amount of CSR contribution and payment details are given in Annexure to this Board's Report. The CSR Policy is available on the website of the Company, i.e. www.iflhousingfinance.com.

19. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence as laid down in Section 149(6) of the Companies Act, 2013.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the requirement of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on 20th February, 2023 without the attendance of non-independent directors and members of management. All independent directors were present in the meeting.

20. AUDIT COMMITTEE

Your Company has a duly constituted Audit Committee as per the provisions of Section 177 of Companies Act, 2013. As at 31st March, 2023, the Committee comprises of:

1. Mr. Amit Kumar Agarwal, Chairperson
2. Mr. Ramesh Bansal, Member
3. Mr. Gopal Bansal, Member

The Audit Committee and other Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

21. NOMINATION & REMUNERATION COMMITTEE

Pursuant to provision of sub-section (1) of section 178 of the Companies Act, 2013, Company has a Nomination & Remuneration Committee from 03rd August, 2017 and a Nomination & Remuneration Policy for its directors and senior management. As at 31st March, 2023, the Committee comprises of:

1. Mr. Amit Kumar Agarwal, Chairperson
2. Mr. Ramesh Bansal, Member
3. Mr. Devi Dass Agarwal, Member

22. FORMAL ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS UNDER SECTION 134(3)(P) AND RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

Pursuant to the provisions of the Act and its Rules, an annual evaluation of the performance of the Board, its Committees and of individual Directors, were carried out during the year. Also the Nomination and Remuneration Committee has evaluated the Directors/ KMPs at the time of their appointment.

23. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR, IN TERMS OF RULE 8 (5) (IIIA) OF COMPANIES (ACCOUNTS) RULES, 2014 AS AMENDED:-

The Independent Directors are selected as per the applicable provisions of Act, read with RBI Master Directions based upon the qualification, expertise, track record, integrity and other "fit and proper" criteria and the Company obtains the necessary information and declaration from the Directors. All the Independent Directors of the Company have strong academic background and having long stint experience with renowned Government and private Organizations/ Corporates. The integrity/ expertise of the Directors have been evaluated by the Board and NRC at the time of appointment and every year evaluated at the respective meetings.

24. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANGERIAL PERSONNEL AND OTHER EMPLOYEES

The Nomination and Remuneration Committee has formulated criteria for appointment of directors, determining qualifications, positive attributes and independence of a director and has in place a policy on Board which laid down the

criteria of remuneration for the directors, Key Managerial Personnel and other employees in the Nomination & Remuneration Policy. The Policy approved by the Board is available on the Company's website www.iflhousingfinance.com.

25. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a board approved vigil mechanism/whistle blower policy to provide adequate safeguards against victimization of employees and directors. It aims to provide a mechanism to report any unethical behavior, illegitimate practices or other concerns within the Company. The Company affirms that no person was denied access to the Audit Committee.

26. PARTICULARS OF EMPLOYEES

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company shall disclose the details about its employees. This provision is not applicable on our company.

27. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace and has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case was reported during the year under review.

28. FRAUD REPORTING

a) There were no material fraud cases amounting to Rs. 1.00 crore or above, detected and required to be reported during the FY 2022-23, as per the provisions of section 134 (3) (ca), read with section 143 (12) of the Companies Act, 2013 to the regulatory authorities.

b) The Company has detected 1 (one) Fraud of value involved of Rs. 9.30 Lakh committed by unscrupulous borrower, during the FY 2022-23 and the same has been reported to National Housing Bank/ Reserve Bank of India. Further, out of Rs. 9.30 lakhs, Rs. 1.60 Lakh recovered from borrower.

c) The Company is having total 4 fraud cases pertaining to preceding financial years.

29. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2023, the Board of the Company was duly constituted in accordance with the provisions of the Companies Act 2013.

S. NO.	NAME OF DIRECTOR	DESIGNATION	DIN/PAN	DATE OF APPOINTMENT/CHANGE IN DESIGNATION
1	Mr. Gopal Bansal	Whole-Time Director	01246420	28.06.2017
2	Mrs. Sunita Bansal	Whole-Time- Director	02801660	28.06.2017
3	Mr. Ashish Bansal	Whole-Time Director	06607944	07.08.2021
4	Ms. Kriti Suri	Whole-Time Director	09258479	07.08.2021
5	Mr. Amit Kumar Agarwal	Independent Director	08768575	08.07.2020
6	Mr. Ramesh Bansal	Independent Director	09126805	02.04.2021
7	Mr. Devi Dass Agarwal	Independent Director	09152596	07.08.2021
8	Mr. Somesh Tewari *	CEO	ABCPT0858N	10.03.2023
9	Mrs. Gunjan Jain**	Chief Financial Officer	APPPJ2676D	25.04.2022
10	Ms. Prerna Matta Arora#	Chief Financial Officer	BAMP7236C	01.11.2022
11	Mr. Vijay Kumar Dwivedi	Company Secretary	BRGPD6317M	08.07.2020

*appointed w.e.f. 10.03.2023., ** appointed on 25.04.2022 and resigned w.e.f. 31.10.2022

Appointed w.e.f. 01.11.2022

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013 and are not debarred from holding the office of Director by virtue of any other such authority.

30. NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board of Directors of the company met twenty (20) times viz on

18.04.2022 25.04.2022 23.05.2022 23.06.2022 18.07.2022 30.07.2022 22.08.2022 05.09.2022 20.09.2022
28.09.2022 14.10.2022 01.11.2022 02.01.2023 25.01.2023 20.02.2023 28.02.2023 10.03.2023 14.03.2023 29.03.2023
31.03.2023

31. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Since the Company is a housing finance company, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013. As regards investments made by the Company, the details of the same are provided in notes to the financial statements of the Company for the year ended March 31, 2023.

32. PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

The Company has entered into contract and arrangements with related party as per the provisions of Section 188 of the Companies Act, 2013 and were on an arms's length basis. The particulars of which are attached to this report in prescribed form AOC-2 as 'Annexure III'. As per the requirement of NHB circular, a policy on Transactions with Related Parties is given as 'Annexure IV' to this report.

33. RISK MANAGEMENT POLICY

Company has implemented the well-organized risk management policy for identification of elements of risk and providing assurance that the risks are actively managed. These include: credit risk, market risk, operational risk. Risk Management Committee is formed with the overall responsibility of managing and addressing the various risks it is exposed to, on account of being in the lending business.

As at 31st March, 2023, the Risk Management Committee comprises of the following members:

1. Mr. Gopal Bansal- Chairman
2. Mr. Ashish Bansal- Member
3. Mr. Amit Kumar Agarwal –Member
4. Ms. Prerna Matta Arora- Member & Risk Officer
5. Mr. Nishant Jaiswal- Member
6. Mr. Vijay Kumar Dwivedi- Member

Detailed information on risk management is provided in Management Discussion & Analysis.

34. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Asset Liability Management Committee (ALCO) lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. The Company has duly implemented the NHB's Asset Liability Management (ALM) Guidelines applicable to HFCs.

The Board of Directors of the company has approved the ALM Policy & Framework and reviewed the same time to time. The ALCO Committee ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB. As at March 31, 2023, your company had a strong asset-liability position with positive gaps across all the buckets. The ALCO apprises the board on Asset Liability management issues periodically.

As at 31st March, 2023, The Asset Liability Management Committee comprises of the following members:

SR. NO.	NAME	DESIGNATION
1	Mr. Gopal Bansal	Chairman
2	Mr. Rajeev Mehra	Member
3	Mr. Ashish Bansal	Member
4	Ms. Prerna Matta Arora	Member
5	Mr. Vijay Kumar Dwivedi	Member

*resigned w.e.f. 01.11.2022

35. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with Clause (c) of Sub-Section (3) of Section 134 and sub-section (5) of Section 134 of the Companies Act, 2013 the Board of Directors of the company informed the members that:

- (A) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (B) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (C) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (D) the directors had prepared the annual accounts on a going concern basis;
- (E) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (F) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. CHANGES AMONG DIRECTORS AND KMP

Directors

During the period under review, Mr. Gopal Bansal (DIN: 01246420) re-appointed as Managing Director and Mrs. Sunita Bansal, re-appointed as Whole-Time-Director of the Company w.e.f. 28.06.2022.

KMP

During the financial year under review, Mrs Prerna Matta Arora, resigned w.e.f. 24.04.2022 from the post of CFO of the Company and Ms. Gunjan Jain was appointed as CFO of the Company w.e.f. 25.04.2022.

Again, Ms. Gunjan Jain resigned from the post of CFO of the Company w.e.f. 30.10.2022 and Mrs. Prerna Matta Arora was appointed as CFO of the Company w.e.f. 01.11.2022. Mr. Somesh Tewari was appointed as CEO of the Company w.e.f. 10.03.2023.

There were no other changes in the Key Management Personnel of your Company.

37. REMUNERATION TO DIRECTORS & KMP

The details relating to the remuneration of Directors and Key Managerial Personnel forms part of the financial statements of the Company and MGT-9.

38. DETAILS OF THE AUCTIONS CONDUCTED WITH RESPECT TO GOLD LOAN

During the year under review, the Company auctioned 577 loan accounts (Previous Year: 60 accounts). The outstanding dues on these loan accounts were Rs. 221.07 Lakhs (March 31, 2022: Rs. 24.70 lakhs) till the respective date of auction. The Company realized Rs. 224.18 Lakhs (March 31, 2022: Rs. 24.66 Lakhs) on auctioning of gold Jewellery taken as pledge on these loans. Company confirms that none of its sister concerns participated in the above auctions.

The Excess realized Amount was refundable to Customers.

39. GROUP STRUCTURE

Diagrammatic representation of group structure is as under:-



40. NATIONAL HOUSING BANK GUIDELINES

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions as prescribed by National Housing Bank (NHB) and has been in compliance with the various Circulars, Notifications and Guidelines issued by NHB from time to time. The Circulars, Notifications and Guidelines issued by NHB are also placed before the Audit Committee/Board of Directors at regular intervals to update the Committee/Board members on the status of compliance with the same. Your Company has also formulated various policies and codes regarding Know Your Customer & Anti Money Laundering ((KYC & AML) Policy, Fair Practice Code, Grievance Redressal Mechanism etc. in compliance with various guidelines issued by National Housing Bank.

In October 2020, RBI issued the regulatory framework for HFCs in supersession of the corresponding regulations by NHB. The objective of the framework was to facilitate regulatory transition in a phased manner. Further, on February 17, 2021, RBI issued Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect. The Company is in compliance with applicable Circulars, Notifications and Guidelines issued by RBI and NHB from time to time. Various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board.

As per the Master Circular- Returns to be submitted by Housing Finance Companies (HFCs) and various Circulars/ Guidelines/ Notifications issued by NHB, your Company has duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, intimation of opening/ closing of branches within prescribed time-limit during the FY 2022-23.

The Company being a financial institution is also registered for taking SARFAESI Action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") and the same has been notified by NHB.

41. REGISTRATIONS WITH AND APPROVALS FROM OTHER REGULATORY AUTHORITIES:

▪ INFORMATION UTILITY:

The NHB has come out with the policy circular No. NHB (ND)/DRS/Policy Circular No.87/2017-18 dated 6th February, 2018, advising the Housing Finance Companies to submit the financial information and information relating to assets in relation to which any security interest has been created, with the Information Utility (IU).

The Insolvency and Bankruptcy Code, 2016 consolidates the existing framework and creates a new institutional structure, by setting up of Information Utility Companies, which will store all the credit information of Corporates/entities/persons; The Certificate & data furnished by IUs are accepted by NCI.T/DRTs as legal evidence.

An Information Utility is a professional organization (which is registered with Insolvency and Bankruptcy Board of India under Section 210 of IBC, 2016 as per the eligibility criteria prescribed) that will collect financial information related to borrowers accounts, get the same authenticated by other parties connected to the debt, i.e. borrower & store the same and provide access to various parties, i.e. Creditors and other stake holders, so that all stake holders can make decisions based on the same information.

Further, the information are collected, storage and disseminated in such a way that, if a borrower Makes default in paying any loan to the lender, then status of default will be disseminated to other creditors on real time basis.

42. REGULATORY COMPLIANCE

The Company has complied with Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 and erstwhile the Housing Finance Companies (NHB) Directions, 2010 and other directions/ guidelines prescribed by RBI regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, capital market exposure norms and know your customer and anti-money laundering.

43. FAIR PRACTICE CODE, KYC NORMS, ANTI MONEY LAUNDERING STANDARDS

The Company continued to ensure that Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB/RBI from time to time are invariably adhered to and duly complied by the Company. The Company has put in place board approved robust KYC & AML policy for compliance by the branches. The Internal Auditors conducted audit of the branches to ensure adherence of these AML standards during the year under report.

- **CENTRAL REGISTRY OF SECURITISATION ASSET RECONSTRUCTION AND SECURITY INTEREST (CERSAI):-**

Your Company has duly registered with CERSAI Authority and has submitted various required information/documents and uploading of mortgages/charge creation with details of mortgage loans of all customers of the company on a timely basis.

- **LEGAL ENTITY IDENTIFIER OF THE COMPANY:-**

As per the RBI circular No. DBR. NO. BP.BC.92/21.04.048/2017/18 dated 2nd November, 2017, your Company has submitted the application with Legal Entity Identifier India Limited (wholly owned subsidiary of Clearing Corporation of India Limited) and has obtained the LEI 335800CZXHLC3EYIO948 vide e-mail dated 17th August, 2020.

- **INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI):**

The Company is registered with IRDAI as Corporate Agent – Composite bearing registration number CA0698 with renewed validity period – 16.12.2019 to 15.12.2022. The Company has not applied for renewal of registration no. with IRDA. 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.

During the FY 2022-23, the Company has complied with Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

No Penalties/Fine was levied by the regulator during the year 2022-23.

44. CORPORATE GOVERNANCE

Your Company complies with all the statutory and regulatory compliances and other applicable Secretarial Standards and strictly adhered to the principles of Corporate Governance. Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception.

The Company sees corporate governance standard beyond the compliance of regulatory norms. Transparency, fairness, integrity, effective internal controls at each level of operations in each business transactions, adequate and prompt disclosure to respective shareholders are the key ingredients to the corporate governance.

Further, in order to adopt best practices and greater transparency in the operations of the Company and in compliance with the Directions issued by National Housing Bank i.e. "Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016" ("NHB Directions"), The Board of Directors of the Company approved and adopted the "Internal Guideline on Corporate Governance". The Guidelines on Corporate on Corporate Governance are available at the Company's Website having link.

https://www.iflhousingfinance.com/src/assets/pdfs/corporategovernance/Internal_Guidelines_on_Corporate_Guidelines_02042021.pdf.

45. ACKNOWLEDGEMENT

Your Board of Directors would like to place on record their sincere gratitude to the Regulators, Reserve Bank of India, National Housing Bank, Registrar of Companies, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, all Bankers to the Company, Central & State government departments, Tax Authorities, Registrars, other stake-holders, customers and all other business associates for their continued support during the year under report.

46. CAUTIONARY STATEMENT

Certain Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statements.

Your Company and management team also express their sincere gratitude to the Promoter group entity and Holding Company India Finsec Ltd. for their unstinted support & co-operation.

Your Directors wish to acclaim the hard work and commitment of the employees at all levels who had contributed with all their might for improving the performance of the Company year by year.

**By Order of the Board of Directors
For IFL Housing Finance Limited**

**Place: New Delhi
Date: 13.06.2023**

Sd/-	Sd/-
Gopal Bansal	Ashish Bansal
Managing Director	Whole-Time-Director
(DIN: 01246420)	(DIN: 06607944)

(Annexure-I)

SECRETARIAL AUDIT REPORT

Form No. MR-3

For The Financial Year Ended 31.03.2023

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

To
The Members
IFL HOUSING FINANCE LIMITED
(CIN: U65910DL2015PLC285284)
D-16, 1st Floor, Above ICICI Bank, Prashant Vihar,
Sector-14, Rohini, New Delhi-110085

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IFL HOUSING FINANCE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and as produced before us, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st day of March, 2023, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has a Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by IFL Housing Finance Limited ("The Company") and as produced before us for the financial year ended on 31st Day of March, 2023 (audit period) according to the provisions of:

- I. The Companies Act, 2013 (the Act) including any amendment thereto and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; **(Not applicable to the Company during the period under review)**
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(The Company did not have any Foreign Direct Investment during the financial year);**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company : **(All the following Regulations including amendments, statutory modification or re-enactment thereto if any, from time to time are not applicable to the Company during the period under review);**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendment thereto
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - a. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof and other applicable rules, regulations, and other communications issued from time to time.

VI. Other laws applicable to the Company:-

NHB Guidelines, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employee State Insurance Act, 1948, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Maternity Benefits Act, 1961, The Information Technology Act, 2000, The Income Tax Act, 1961, Weekly Holiday Act, 1942, Goods and Services Tax (GST), The Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013 & amendments thereunder and other laws applicable to the Company as per the representations made by the Company, if any.

We have also examined compliance with the applicable provisions of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment thereto. **(Not applicable to the Company during the period under review).**

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all directors at least seven days in advance or within prescribed time as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management and explanations given to us, were taken unanimously/requisite majority. As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous/with requisite majority and no dissenting views have been recorded.

We further report that, as representation made by the Management of the company and based on the information received and records maintained by the Company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

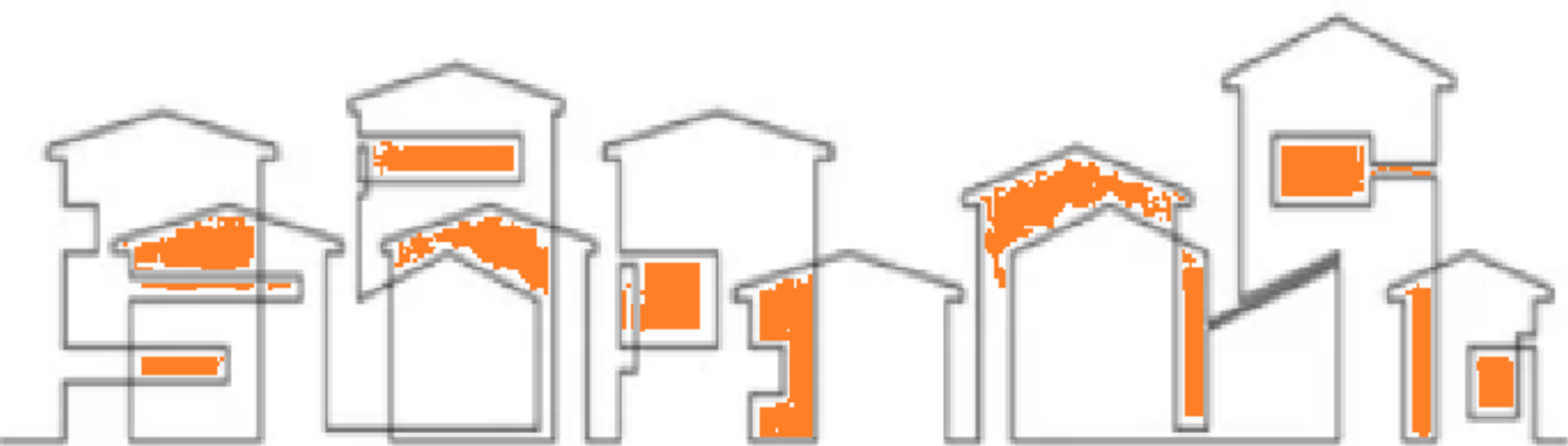
We further report that, during the audit period:-

1. The Company has made re-appointment of Mr. Gopal Bansal as Managing-Director of the Company during the period under review.
2. The Company has made re-appointment of Mrs. Sunita Bansal as Whole-time-Director of the Company during the period under review.
3. The Company has offered and issued the 54, 49,600 Equity Shares to its existing shareholders on Rights Basis on 20th February, 2023 during the period under review.

For SARITA SINGH & ASSOCIATES
(Company Secretaries)

Sarita Singh
(Proprietor)
M. No-55937
COP-24682
UDIN- A055937E000482990
Date: 13/06/2023
Place: Faridabad

*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.



'ANNEXURE A'

To,
The Members
IFL HOUSING FINANCE LIMITED
(CIN: U65910DL2015PLC285284)
D-16, 1st Floor, Above ICICI Bank, Prashant Vihar,
Sector-14, Rohini, New Delhi-110085

My report of even date is to be read along with this letter.

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

For SARITA SINGH & ASSOCIATES
(Company Secretaries)

Sarita Singh
(Proprietor)
M. No-55937
COP-24682
UDIN- A055937E000482990

Date: 13/06/2023
Place: Faridabad

Annexure –II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U65910DL2015PLC285284
ii.	Registration Date	17/09/2015
iii.	Name of the Company	IFL Housing Finance Limited
iv.	Category/Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153 A 1st Floor Okhla Industrial Area, Phase - I New Delhi-110 020. Direct no-011-41044923 Fax: +91 11 26812682 Web: www.skylinerta.com

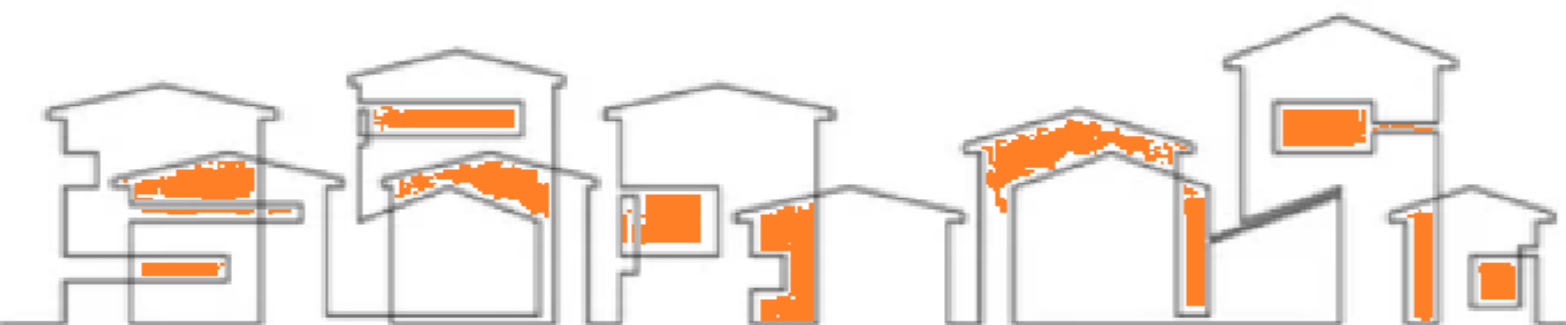
II. PRINCIPAL

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

SL. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS/SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1.	Carrying out the activities of housing finance company (without accepting public deposits)	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	India Finsec Limited D-16, 1st Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	L65923DL1994PLC060827	Holding	62.72	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01.04.2022)				NO. OF SHARES HELD AT THE END OF THE YEAR (31.03.2023)				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promoter									
1) Indian									
a) Individual/ HUF	20,758,420	-	20,758,420	34.33	20,758,420	-	20,758,420	34.33	7.25
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	39,714,980	-	39,714,980	72.92	39,714,980	-	39,714,980	65.67	(7.25)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub- total(A)(1):	54,468,000	-	54,468,000	100	60,473,400	-	60,473,400	100	-
2) Foreign	-	-	-	-	-	-	-	-	-
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)Other- Individuals	-	-	-	-	-	-	-	-	-
c)BodyCorp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	54,468,000	-	54,468,000	100	60,473,400	-	60,473,400	100	-
B. Public Shareholding									
1) Institutions	-	-	-	-	-	-	-	-	-
a) MutualFunds	-	-	-	-	-	-	-	-	-
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Body Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-

Sub- total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	54,468,000	-	54,468,000	100	60,473,400	-	60,473,400	100	-

ii. Shareholding of Promoters

SL. NO	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% CHANGE IN SHAREHOLDING DURING THE
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL	
1.	INDIA FINSEC LIMITED	3,97,14,980	72.92	0	39714980	65.67	0	(7.25)
2.	MR. GOPAL BANSAL	53,88,000	9.89	0	5388000	8.91	0	(0.98)
3.	MRS. SUNITA BANSAL	56,67,270	10.40	0	6223070	10.29	0	(0.11)
4.	MRS. KRITI SURI	14,80,010	2.72	0	1480010	2.45	0	(0.27)
5.	ARVIND KUMAR BANSAL HUF	2,09,990	0.39	0	209990	0.35	0	(0.04)
6.	GOPAL BANSAL HUF	20,07,740	3.69	0	2007734	3.32	0	(0.37)
7.	ARVIND KUMAR BANSAL	10	0	0	10	0	0	-
8.	VIRENDER KUMAR BANSAL	0	0	0	1362401	2.25	0	2.25
9.	SANTOSH BANSAL	0	0	0	1362401	2.25	0	2.25
10.	ASHISH BANSAL	0	0	0	681201	1.13	0	1.13
11.	NIRMALA DEVI	0	0	0	681201	1.13	0	1.13
12.	NARESH KUMAR BANSAL	0	0	0	681201	1.13	0	1.13
13.	CHARU BANSAL	0	0	0	681201	1.13	0	1.13
	Total	54,468,000	100	0	60,473,400	100	0	

iii. Change in Promoters' Shareholding (please specify, if there is no change)

S. NO.	NAME OF SHAREHOLDER	PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	India Finsec Limited (Promoter)	At the beginning of the year	39,714,980.00	65.67	39714980	65.67
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 16,34,880 equity shares on right issue basis dated 20.02.2023	(2.95)		
		At the End of the year	41349860	62.72	41349860	62.72

S. NO.	NAME OF SHAREHOLDER	PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
2	Mrs. Sunita Bansal (Promoter & Whole- Time-Director)	At the beginning of the year	6223070	10.29	6223070	10.29
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 7,19,340 Equity shares on right issued basis dated 20.02.2023	0.24		
		At the End of the year	6942410	10.53	6942410	10.53
3	Mr. Gopal Bansal (Promoter & Managing Director)	At the beginning of the year	5388000	8.91	5388000	8.91
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 20,05,460 Equity shares on right issued basis dated 20.02.2023	2.31		
		At the End of the year	73,93,460	11.22	73,93,460	11.22
4	Mrs. Kriti Suri (Promoter & Whole Time-Director)	At the beginning of the year	1480010	2.45	1480010	2.45
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.2)		
		At the End of the year	1480010	2.25	1480010	2.25
5	Arvind Kumar Bansal HUF (Promoter Group)	At the beginning of the year	209990	0.35	209990	0.35
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.03)		
		At the End of the year	209990	0.32	209990	0.32
6	Gopal Bansal HUF (Promoter Group)	At the beginning of the year	2007734	3.32	2007734	3.32
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.27)		
		At the End of the year	2007734	3.05	2007734	3.05
7	Arvind Kumar Bansal (Promoter Group)	At the beginning of the year	10	0	10	0
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		0	0	0
		At the End of the year	10	0	10	0

S. NO.	NAME OF SHAREHOLDER	PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
			NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
8	Virender Kumar Bansal (Promoter Group)	At the beginning of the year	1362401	2.25	1362401	2.25
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 544900 shares on 20.02.2023	0.64		
		At the End of the year	1907361	2.89	1907361	2.89
9	Santosh Bansal (Promoter & Whole-Time-Director)	At the beginning of the year	1362401	2.25	1362401	2.25
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 544900 shares on 20.02.2023	0.64		
		At the End of the year	1907361	2.89	1907361	2.89
10	Ashish Bansal (Promoter & Whole-Time Director)	At the beginning of the year	681201	1.13	681201	1.13
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.10)		
		At the End of the year	681,201	1.03	681,201	1.03
11	Charu Bansal (Promoter Group)	At the beginning of the year	681201	1.13	681201	1.13
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.10)		
		At the End of the year	681,201	1.03	681,201	1.03
12	Naresh Kumar Bansal (Promoter Group)	At the beginning of the year	681201	1.13	681201	1.13
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.10)		
		At the End of the year	681,201.00	1.03	681,201.00	1.03
13	Nirmala Devi (Promoter Group)	At the beginning of the year	681201	1.13	681201	1.13
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.10)		
		At the End of the year	681,201	1.03	681,201	1.03

v. Shareholding of Directors and Key Managerial Personnel:

SL. NO.	FOR EACH OF THE DIRECTORS AND KMP	PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
			NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Mr. Gopal Bansal (Managing Director)	At the beginning of the year	5,388,000	8.91	5,388,000	8.91
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 20,05,460 equity shares on right issue basis dated 20.02.2023	2.31		
		At the End of the year	73,93,460	11.22	73,93,460	11.22
2	Mrs. Sunita Bansal (Whole-Time Director)	At the beginning of the year	6223070	10.29	6223070	10.29
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Allotment of 719340 equity shares on right issue basis dated 20.02.2023	0.24		
		At the End of the year	6942410	10.53	6942410	10.53
3	Mr. Ashish Bansal (Whole-Time Director)	At the beginning of the year	681201	1.13	681201	1.13
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		(0.10)		
		At the End of the year	681,201	1.03	681,201	1.03
4	Ms. Kriti Suri (Whole-Time Director)	At the beginning of the year	1,480,010	2.45	1,480,010	2.45
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	(0.20)	-	-
		At the End of the year	1,480,010	2.25	1,480,010	2.25
5	Mr Amit Kumar Agarwal (Independent Director)	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
6	Mr. Ramesh Bansal (Independent Director)	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
7	Mr. Devi Dass Agarwal (Independent Director)	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-

SL. NO.	FOR EACH OF THE DIRECTORS AND KMP	PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
			NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
8	Mr. Somesh Tewari* (CEO)	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
9	Ms. Gunjan Jain (CFO)**	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
10	Ms. Purna Matta Arora (CFO)	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
11	Mr. Vijay Kumar Dwivedi (Company Secretary)	At the beginning of the year	-	-	-	-
		Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-

* Appointed as CEO w.e.f 10.03.2023. ** Appointed as CEO w.e.f 25.04.2022 and resigned w.e.f 30.10.2022

Appointed as CFO w.e.f 01.11.2022

V. INDEBTEDNESS

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

(Rs. In Lakhs)

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	8317.98	-	-	8317.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.74	-	-	3.74
Total (i+ii+iii)	8321.72	-	-	8321.72
Change in Indebtedness during the financial year				
- Addition	12954.38	1250.00	-	14204.38
- Reduction	5575.15	-	-	5575.15
Net Change	7379.23	1250.00	-	8629.23
Indebtedness at the end of the financial year	15697.21	1250.00	-	16947.21
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	73.05	4.72	-	77.77
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	15770.26	1254.72	-	17024.98

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In Lakhs)

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF MD/WTD/ MANAGER				TOTAL AMOUNT
		MR. GOPAL BANSAL (MD)	MRS. SUNITA BANSAL (WTD)	MR. ASHISH BANSAL (WTD)	MS. KRITI SURI (WTD)	
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.61	8.81	11.74	8.79	46.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total(A)	17.61	8.81	11.74	8.79	46.95
	Ceiling as per the Act	Within the limit as per Companies Act, 2013				

B. Remuneration to other directors:

(Rs. In Lakhs)

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS			TOTAL AMOUNT
		MR. RAMESH BANSAL	MR. DEVI DASS AGARWAL	MR. AMIT KUMAR AGARWAL	
	<u>Independent Director</u>				
1	- Fee for attending board/committee meetings	0.48	0.45	0.60	1.53
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total(1)				
	<u>Other Non-Executive Directors</u>				
2	- Fee for attending board/ committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total(2)				
	Total(B)=(1+2)				
	Total Managerial Remuneration	0.48	0.45	0.60	1.53
	Overall Ceiling as per the Act	Within the limit as per Companies Act, 2013			

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

SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL				TOTAL
		CEO	COMPANY SECRETARY	CEO		
		Mr. SOMESH TIWARI*	Mr. VIJAY KUMAR DWIVEDI	MS. GUNJAN JAIN**	MRS. PRERNA MATTA ARORA#	
	Gross salary	4.03	8.50	6.33	6.40	25.26
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total	4.03	8.50	6.33	6.40	25.26

*Appointed as CEO w.e.f 10.03.2023 ** Appointed as CEO w.e.f 25.04.2022 and resigned w.e.f 30.10.2022.
Appointed as CFO w.e.f 01.11.2022

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/COMPOUNDING FEES IMPOSED	AUTHORITY [RD/ NCLT/ COURT]	APPEAL MADE. IF ANY (GIVE DETAILS)
A. Company					
Penalty					
Punishment			Not Applicable		
Compounding					
B. Directors					
Penalty					
Punishment			Not Applicable		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			Not Applicable		
Compounding					

By Order of the Board of Directors
For IFL Housing Finance Limited

Place: New Delhi
Date: 13.06.2023

Sd/-
Gopal Bansal
Managing Director
(DIN: 01246420)

Sd/-
Ashish Bansal
Whole-Time-Director
(DIN: 06607944)



Annexure III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

NAME OF RELATED PARTY AND NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS /TRANSACTIONS	DURATION OF CONTRACT	SALIENT TERMS	DATE OF APPROVAL BY THE BOARD	AMOUNT (IN LAKHS)
Gopal Bansal (HUF)	Rent Paid	Eleven Months	As per Rent Agreement	25.04.2022	9.00
Sunita Bansal	Rent Paid	Eleven Months	As per Rent Agreement	25.04.2022	9.00
	Remuneration		-	23.06.2022	8.81
	Share Application Money (7,19,340 equity shares @ FV of Rs. 10 & Premium @ 8.35)		-	20.02.2023	131.99
Gopal Bansal	Remuneration	-	-	23.06.2022	17.61
	Share Application Money (20,05,460 equity shares @ FV of Rs. 10 & Premium @ 8.35)	-	-	20.02.2023	368.00
Kirti Suri	Remuneration & Conveyance	-	-	07.08.2021	8.79
Ashish Bansal	Remuneration	-	-	07.08.2021	11.74
Somesh Tewari	Remuneration	-	-	10.03.2023	4.03
Purna Matta Arora	Remuneration	-	-	-	6.40
Gunjan Jain	Remuneration	-	-	25.04.2022	6.33
Vijay Kumar Dwivedi	Remuneration	-	-	08.06.2020	8.50
India Finsec Limited	Share Application Money (16,34,880 equity shares @ FV of Rs. 10 & Premium @ 8.35)	-	-	20.02.2023	300.00
	Loan Taken			25.04.2022	30.03
	Loan Re-paid			25.04.2022	36.73
	Interest Expenses			25.04.2022	2.19
	Corporate Guarantee Received			25.04.2022	7600.00

By Order of the Board of Directors
For IFL Housing Finance Limited

Place: New Delhi
Date: 13.06.2023

Sd/-
Gopal Bansal
Managing Director
(DIN: 01246420)

Sd/-
Ashish Bansal
Whole-Time-Director
(DIN: 06607944)



POLICY ON RELATED PARTY TRANSACTIONS

1. SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and National Housing Bank (NHB) Act, NHB Housing Finance Companies Directions, 2010 and Notifications issued by NHB from time to time. In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

2. ABOUT THE COMPANY

The Company is incorporated as wholly owned subsidiary of India Finsec Limited on 17.09.2015. However, it becomes subsidiary of India Finsec Limited on 23.01.2018.

The Company received Certificate of Registration from National Housing Bank bearing certificate no. 12.0164.17 dated 12.12.2017. Thereafter Company started its housing finance business.

Being a housing finance company, company provides home loans to people who are in the Economically Weaker Sections, Low Income Groups and Middle Income Group (EWS/LIG/MIG) as well as affordable home finance for self employed/salaried people in the organized/unorganized sector. The Company aims to be a significant player in this segment.

3. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the exceeding thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Companies Act, 2013 and National Housing Bank (NHB) Act and any other laws and regulations as may be applicable to the Company.

4. DEFINITIONS

4.1 "Applicable Laws" includes;

- (a) the Companies Act, 2013 ('the Act') and rules made thereunder;
- (b) Accounting Standards;
- (c) National Housing Bank (NHB) Act, NHB Housing Finance Companies Directions, 2010 and Notifications issued by NHB from time to time and,
- (d) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

4.2 "Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

4.3 "Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

4.4 "Company" means IFL Housing Finance Limited.

4.5 "Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Companies Act, 2013 and rules prescribed thereunder.

4.6 "Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013 and or any other applicable law or regulation.

4.7 "Related Party Transactions" As per section 188(1) of Companies Act, 2013 related party transaction will include following specific transactions:

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property; such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company ;and
- f. underwriting the subscription of any securities or derivatives thereof, of the company.

Provided that nothing in section 188(1) shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not at arm's length basis.

4.8 "Shareholder's Approval" All Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and the Rules framed thereunder.

4.9 "Key Managerial Personnel" or "KMP" shall have the meaning as defined in the Companies Act 2013 and as amended from time to time.

4.10 "Audit Committee" means the committee of Board of Directors of the Company constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act,2013 or any other applicable law or regulation and as amended from time to time.

5. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

5.1 Approval of the Audit Committee

A. All related party transactions require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

- a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
 - i) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii) The maximum value per transaction which can be allowed;
 - iii) extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
 - iv) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
 - v) transactions which cannot be subject to the omnibus approval by the Audit Committee
- b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
 - i) repetitiveness of the transactions (in past or in future);
 - ii) justification for the need of omnibus approval.
- c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company;
- d. The omnibus approval shall provide details of
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into,
 - (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and
 - (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees 1 crore per transaction.

- e. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- g. Any other conditions as the Audit Committee may deem fit.

5.2 Approval of the Board of Directors of the Company

- A. As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- B. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- C. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- D. Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval
- E. exceeding the threshold limits, as per Clause 4.8 of the Policy, which are intended to be placed before the shareholders for approval

5.3 Approval of the Shareholders of the Company

All the transactions with related parties exceeding the threshold limits, as per Clause 4.8 of the Policy, are placed before the shareholders for approval. For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative vote to reject the shareholders resolution on RPT exceeding the threshold limits). In addition to the above, all kinds of transactions specified under Section 188 of the Act which

- A. are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' approval for Related Party Transactions exceeding the thresholds is not required in case of wholly owned subsidiary, if passed by the holding company, for the purpose of entering into the transaction between wholly owned subsidiary and holding company.

6. REPORTING AND DISCLOSURES

All the Disclosure would be done as in compliance with the requirement as specified under Companies Act 2013 and or any other applicable law or regulation.

7. REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

MANAGEMENT DISCUSSION & ANALYSIS

The Company IFL HOUSING FINANCE LIMITED (“IFL or the Company”) is registered with National Housing Bank (NHB) under section 29A of National Housing Bank Act, 1987 vide Registration No. 12.0164.17 as a Housing Finance Company (HFC). Now, your Company is being regulated by Reserve Bank of India (RBI) AND Supervised by National Housing Bank (NHB). The Company need to follow the circulars, directions or/and notification issued by RBI from time to time such as Master Direction-Non Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI dated February 17, 2021.

Established in 2015, IFL Housing Finance Limited is a closely held company having registered office at D-16, First Floor, above ICICI Bank, Prashant Vihar, Sector 14, Rohini, Delhi, 110085, that aims to offer affordable housing solutions for the middle and low-income groups of the society. The progressive firm is a wholly subsidiary of India Finsec Limited (IFL). The parent company under the shadows of which IFL Housing Finance Limited is able to make dreams possible is a BSE-listed company and is also a registered NBFC.

Indian Economy

In FY23, the overall economy has recovered at a fast pace and the housing finance industry has witnessed a robust demand within the lending business. Size of real estate market is expected to reach 50 lac crore by FY 2025 and with more and more people accessing credit, the size of home loans is expected to reach Rs. 20 lakh crore.

Our country consists of a young population, which is capable and more eager to invest in the real estate market than ever. Demand for bigger homes to support the improved standard of living and lifestyle of individual has boosted the demand for housing space. Increasing population and the work from home culture have pumped up the demand for bigger homes. Thus we have seen a surge in need for housing finance.

The growing importance of home loans can also be gauged from the fact that the ratio of outstanding individual home loans by Banks and HFCs in India’s GDP has grown substantially in the last ten years. India has seen a substantial growth in new business in the post pandemic era, due to increased access to credit and rising urbanization with wide reach to the unserved and underserved consumers.

Housing Finance Sector

The housing sector is one of the most in-demand subsector of real estate so it was the main contributor to the pickup in pace of the whole segment. In Financial Year 2022-23, the overall economy has recovered at a fast pace and the housing finance industry has witnessed a robust demand within the lending business. Our country consists of a young population, which is capable and more eager to invest in the real estate market than ever. Demand for bigger homes to support the improved standard of living and lifestyle of individual has boosted the demand for housing space. Increasing population and the work from home culture have pumped up the demand for bigger homes. Thus we have seen a surge in need for housing finance.

The growing importance of home loans can also be gauged from the fact that the ratio of outstanding individual home loans by Banks and HFCs in India’s GDP has grown substantially in the last ten years. India has seen a substantial growth in new business in the post pandemic era, due to increased access to credit and rising urbanization with wide reach to the unserved and underserved consumers.

Challenges faced by HFCs

Some of the key challenges faced by the housing finance companies are as under:

- **Compressed NIMs:** During FY23, RBI has hiked its policy repo rate by 250 bps cumulatively. However, the transmission to end borrowers has been to the tune of 150-170 bps across the financial services segment. This has led to compression of NIMs of lending institutions.
- **High costs:** Delays in completion of housing projects, cost overruns due to the unavailability of labour and delayed investments by buyers in the affordable housing sector are affecting the housing market relatively.
- **High Customer Attrition:** HFCs are facing more and more difficulty in retaining customers. Borrowers with good track record are easy targets of banks who have the ability to lend at much more competitive rates as compared to HFCs.

- **Increased Competition:** New regional housing finance companies are giving stiff competition to the established players and at the same time, banks have stepped up efforts in increasing their presence in housing finance space. This would put additional pressure on the productivity and margins of housing finance companies.

Positives for HFCs in the near future:

- **Growth Remains Steady:** Growth for HFCs has remained strong during the pandemic with adequate regulatory and government support. Incrementally, growth has been seen across mid to large players, driven by parentage aiding their funding cost thereby driving overall competitiveness. The affordable category has seen strongest growth in the housing finance industry. The government thrust through Credit Linked Subsidy Scheme and Pradhan Mantri Awas Yojana schemes has been instrumental in driving the demand. Affordable players are expected to grow 16% yoy in FY24, almost at similar rate as FY 23. The demand from home ownership aspirations in tier 2 and 3 cities will drive the growth.

• Home Investment Plans:

Covid-19 made people rethink about their home buying and investments plans. The concept is to invest in a home, either to live or to leverage it as an asset that could generate an extra source of income, mainly to be used in a crisis period. More potential home owners are switching to the periphery areas for larger homes and a healthier lifestyle at more competitive rates with a viable work-from home alternative.

Outlook for IFL Housing Finance Limited

IFL Housing Finance Limited has continued its growth story despite all the macro economic challenges. The company has seen improvement in all the operational and financial parameters. The Company has been able to increase the loan asset base in FY23. With business growth, rationalization of operating expenses and improved asset quality, the Company has improved on all the financial parameters. In spite of RBI Policy Repo being hiked by 250 bps and Bank MCLR's going up by 150-170 bps, the company's cost of Borrowing has increased 183 bps.

The Company has continued to deepen its presence in key states under focus and has also increased its footprint by opening branches in new geographies. It will continue to focus on the affordable and mid-tier segment due to steady growth in demand and will also strive to have a well-placed granular book. Backed by the IFL Group, with its huge, time-tested customer base, the Company will continue to explore cross-selling opportunities that will play a major role in the next leg of business growth.

FINANCIAL HIGHLIGHTS

Profit and Loss Account (Standalone)

Rs in Lakhs

PARTICULARS	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Interest Income	4,216.85	1,568.89
Fees & Commission Income	123.05	43.18
Net Gain on Fair Value Change	53.70	71.29
Other income from operations	58.74	3.68
Other Incomes	124.36	30.084
Total Income	4,576.70	1,717.88
Finance costs	1,703.50	439.85
Impairment on Financial Instruments	56.19	60.00
Employee benefits expenses	1,443.65	352.96
Depreciation and amortisation expenses	235.93	44.83
Other expenses	512.46	179.38
Profit before tax	624.97	640.53
Tax Expenses	177.58	147.70
Profit after Tax	447.39	492.83

Number of loan accounts at the end of FY 2023 stood at 17728 as compared to 9128 at the end of FY 2022.

- AUM grew by 71.24 % to ₹ 250.89 Crore.
- Disbursements during the year was ₹ 274.30 crore, a growth of 139.05% over the previous year.

- GNPA ('Gross Non Performing Asset') at the end of the FY 2023 was 0.99% on AUM, as compared to 1.28% at the end of FY 2022. The RBI issued clarificatory guidelines on 12th November 2021, on classification and reporting of NPA in NBFCs and HFCs. This circular clarified that once an account has become a NPA it will remain a NPA till all dues have not been collected.

- The Company operates out of 70 branches and offices as on FY 2023 end.

KEY FINANCIAL RATIOS (FY'23)

PARTICULAR	RATIO
Return on Assets	1.98%
Return on Average Equity	5.10%
Operating Expenses to Average Total Assets	0.10 Times
Debt Equity Ratio	1.79 Times
Net Profit Margin	9.78%
Capital Adequacy	52.83%

Average Ticket Size

The average Ticket Size of Gross AUM outstanding for Home Loan is Rs. 2.55 Lakhs, for Loan Against Property is Rs. 2.30 Lakhs and for Gold Loan is Rs. 0.90 Lakhs.

Products

IFL product portfolio is exhaustive including, Home loans for construction, purchase, Home improvement/Extension loans, [Home Loan Balance Transfer](#), [Loan against Property](#), [Top up Loans](#) and Gold Loan.

BUSINESS PROCESS, SYSTEMS AND IT

The Company has put in place a robust Credit Underwriting process, which ensures protection of the under lying risk in the untested market like self-employed, LMI customers where adequate documents may not be readily available for verification.

Also, IFL has chosen to have the legal scrutiny and technical evaluation of the property done by in house specialists.

CORE LENDING SUITE INCLUDES:

- Performance tracking done through MIS, CRM, post audit etc.
- Legal and Technical evaluation.
- Sourcing of loan proposals.
- CIBIL check.
- Evaluation by Credit/ operations team.
- Direct call to customer by credit / CRM team.
- IT system enables the data entered at branches flow to HO seamlessly and on a real time basis which has resulted in improved efficiency in operations.

These sound systems and processes have resulted in IFL maintaining an excellent portfolio quality.

FUNDING

With the liquidity squeeze in the market and reluctance of the banks to fund to HFCs, most of the HFCs raised significant funding through sell-down of their loan assets either under the securitization or direct assignment route. Some of the larger HFCs have also resorted to ECB issuances.

However, given the positive attributes of IFL in terms of consistent business growth, quality loan book, profitability in terms of return ratios and good corporate governance practices, IFL was able to raise funds from various banks and NHB to the extent of around Rs. 131.5 crores. Further in order to instill confidence amongst bankers and rating agencies and also to meet the growth plan of future years, fresh equity capital including premium to the extent of Rs. 10.0 Crores was raised during the year.

IFL understands that it is in the business of funding long term home loans up to 20 years. With this in the background, IFL borrowing policy has always been prudent in terms of:

- § Diversified Funding Mix,
- § Nil exposure to short term borrowings and
- § Prudent ALM Policy.

- KEY RISKS

- Environment risks:
 - § Dependence on economic factors.
 - § Delay in Project approvals and construction.

- Collateral and credit risks:
 - § Insufficient data for Credit appraisal
 - § Lack of proper property title
 - § Liquidity Risk

- Operating risks:
 - § Employee attrition.
 - § Geographical concentration of Company operations
 - .
 - § Funding disadvantage of small and medium HFCs vis-a-vis large, HFCs.

- § Evolving Socio Economic risk
- MITIGANTS

- The Company is constantly evaluating Macroeconomic related business risks, Customer risk, Underwriting risk, Employee risk and Financial risk and taking corrective actions on an ongoing basis given our nature of business.
- INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY
- The Company has internal audit system which is effective and commensurate with the size of its operations. Adequate records and documents are maintained as required by law from time to time. Internal audits and checks are regularly conducted and internal auditor's recommendations are considered for improving systems and procedures. The Company's audit committee reviews the internal control system and looks into the observations of the statutory and internal auditors.

- FINANCIAL PERFORMANCE
- The Company has deep understanding of the markets where it operates and it has carved a niche for itself by providing housing finance to people which are generally under-served and left ignored by mainstream financial institutions. The Company has its major operations in the states of Rajasthan & Madhya Pradesh followed by Haryana and Delhi. Your Company has developed expertise in the home loans space by lending to the borrowers, primarily self-employed persons, based on its in- depth understanding of this category of borrowers and backed by strong credit appraisal, collection monitoring and recovery mechanism which is supported by an robust IT Infrastructure.

HUMAN RESOURCES DEVELOPMENT

- The Company has staff strength of 471 employees who have been contributing to the progress and growth of the Company. The manpower requirement of the offices of the company is assessed and recruitment is conducted accordingly. Personal skills of the employees are fine-tuned and knowledge is enhanced by providing them internal and external training from time to time keeping in view the market requirement. Outstanding performers are rewarded by way of elevation to the higher cadre. Apart from fixed salary and perquisites, the employees are paid performance linked incentives which motivates them to perform be

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

IFL Housing Finance Limited ("The Company") has a Board approved Corporate Social Responsibility (CSR) Policy in compliance with Section 135 of the Companies Act 2013 and the rules made thereunder.

Pursuant to the amendments to Companies (Corporate Social Responsibility Policy) Rules, 2014 on January 22, 2021, the CSR Policy has been amended and approved by the Board at its meeting. The main objective of the CSR Policy is to lay down guidelines to inculcate the objective of society betterment and philanthropy in its growth plan.

The CSR policy of the Company inter alia provides guiding principles for selection and implementation of CSR activities in pursuance of Schedule VII to the Companies Act, 2013, roles and responsibilities of the CSR Committee, guidance for formulation of an annual action plan, process for implementation of CSR activities, modalities of monitoring and evaluation framework and reporting mechanism. The CSR Policy of the Company is available on the Company's website at https://www.iflhousingfinance.com/pdf/CSR%20Policy_12102020.pdf.

The CSR projects undertaken by the Company are within the framework of Schedule VII of the Companies Act, 2013. The Company's CSR projects are focused on core sectors such as Hunger, Malnutrition, Healthcare, Environment sustainability, Education, Gender Equality, Empowerment of Women and care for Senior Citizens, Protection of National Heritage, Art and Culture etc.

2. COMPOSITION OF CSR COMMITTEE:

As per section 135 (9) of the Companies Act, 2013, no Constitution of CSR Committee is required where CSR Expenditure does not exceed Rs. 50.00 Lakhs. Therefore, the function of CSR Committee of the Company is being discharged by the Board of Director of the Company.

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

The web link is as under:

https://www.iflhousingfinance.com/pdf/CSR%20Policy_12102020.pdf

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT).

Not Applicable

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY : NIL

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) : Rs. 5,73,94,404/-

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 11,47,888/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : 0/-

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): : 11,47,888/-

8. (A) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR. (IN RS.)	AMOUNT UNSPENT (IN RS.)				
	TOTAL AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT AS PER SECTION 135(6).		AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISOR TO SECTION 135(5).		
	AMOUNT.	DATE OF TRANSFER.	NAME OF THE FUND	AMOUNT.	DATE OF TRANSFER.
Rs. 11,50,000/-	N.A.				

(B) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SL. NO.	NAME OF THE PROJECT.	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII TO THE ACT.	LOCAL AREA (YES/NO).	LOCATION OF THE PROJECT.	PROJECT DURATION	AMOUNT ALLOCATED FOR THE PROJECT (IN RS.).	AMOUNT SPENT IN THE CURRENT FINANCIAL YEAR (IN RS.).	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT FOR THE PROJECT AS PER SECTION 135(6) (IN RS.).	MODE OF IMPLEMENTATION - DIRECT (YES/NO).	MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY	MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY	
				STATE.	DISTRICT.						NAME	CSR REGISTRATION NUMBER
	Nil											

(C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SL. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII TO THE ACT.	LOCAL AREA (YES/NO).	LOCATION OF THE PROJECT.	PROJECT DURATION	AMOUNT SPENT FOR THE PROJECT (IN RS.).	MODE OF IMPLEMENTATION - DIRECT (YES/NO).	MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY.	MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY.
				STATE.	DISTRICT.			NAME.	CSR REGISTRATION NUMBER
1.	Promoting Education/ Special Education	Promoting Education/ Special Education	YES	Janta Colony, Jaipur, Rajasthan		1,00,000	NO	THROUGH IMPLEMENTING AGENCY "Adarsh Shiksha Samiti" Janta Colony, Jaipur, Rajasthan	CSR00005994
2.	Promoting Education/ Special Education	Promoting Education/ Special Education	No	Usha Martin University, Ranchi-835103, Jharkhand.		10,50,000	No	Through implementing agency "Usha Martin University, Ranchi-835103, Jharkhand."	CSR00018733
Total									

(D) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS : NIL**(E) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE** : N.A.**(F) TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (8B+8C+8D+8E)** : 11,50,000/-

(G) EXCESS AMOUNT FOR SET OFF, IF ANY

SL. NO.	PARTICULAR	AMOUNT (IN RS.)
(i)	Two percent of average net profit of the company as per section 135(5)	11,47,888/-
(ii)	Total amount spent for the Financial Year	11,50,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil/-

9. (A) DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

SL. NO.	PRECEDING FINANCIAL YEAR.	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT UNDER SECTION 135 (6) (IN RS.)	AMOUNT SPENT IN THE REPORTING FINANCIAL YEAR (IN RS.).	AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECTION 135(6), IF ANY.			AMOUNT REMAINING TO BE SPENT IN SUCCEEDING FINANCIAL YEARS. (IN RS.)
				NAME OF THE FUND	AMOUNT (IN RS.).	DATE OF TRANSFER.	
Nil							

(B) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SL. NO.	PROJECT ID.	NAME OF THE PROJECT.	FINANCIAL YEAR IN WHICH THE PROJECT WAS COMMENCED.	PROJECT DURATION.	TOTAL AMOUNT ALLOCATED FOR THE PROJECT (IN RS.).	AMOUNT SPENT ON THE PROJECT IN THE REPORTING FINANCIAL YEAR (IN RS.).	CUMULATIVE AMOUNT SPENT AT THE END OF REPORTING FINANCIAL YEAR. (IN RS.)	STATUS OF THE PROJECT - COMPLETE / ONGOING .
Nil								

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS)

- (A) Date Of Creation Or Acquisition Of The Capital Asset(s) : **Not Applicable**
- (B) Amount Of CSR Spent For Creation Or Acquisition Of Capital Asset : **Not Applicable**
- (C) Details Of The Entity Or Public Authority Or Beneficiary Under Whose Name Such Capital Asset Is Registered, Their Address Etc. : **Not Applicable**
- (D) Provide Details Of The Capital Asset(s) Created Or Acquired (Including Complete Address And Location Of The Capital Asset). : **Not Applicable**

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5). : **Not Applicable**

**By Order of the Board of Directors
For IFL Housing Finance Limited**

Place: New Delhi
Date: 13.06.2023

Sd/-
Gopal Bansal
Managing Director
(DIN: 01246420)

Sd/-
Ashish Bansal
Whole-Time-Director
(DIN: 06607944)

FINANCIAL STATEMENTS



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 accompanying financial statements of **IFL Housing Finance Limited** ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial statements, including a summary of 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, 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 on the financial statements

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

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.

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 Standalone 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. We conclude that there is no material uncertainty, thereby we are not required to draw attention in our auditor's report to the related disclosures in the financial statements.

However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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. (1) 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"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (2) the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, that Company had recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and (3) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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: 23523588BGUUYW2662

Place : New Delhi

Dated :29.05.2023

“Annexure A” to the Independent Auditor’s Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2023:

We report that:

1) Property Plant and Equipment and Intangible Assets

- 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.
- c) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancy were found during the inspection.
- d) 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);
- e) the company has not revalued its Property, Plant and Equipment (including Right to Use assets) or intangible assets or both during the year
- f) 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.

2) Inventories

- 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.

3) Investments, Guarantee/Security, Loan and Advance

- a) The principal business of the company is to give loans, thus clause (iii)(a) to Paragraph 3 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. 2,49,16,000/- and in our opinion, reasonable steps have been taken by the company for recovery of the principal and interest;
- e) The principal business of the company is to give loans; thus clause(iii)(e) is not applicable to the company.
- 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 to the promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

4) Compliance of Provisions of Section 185 and 186.

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.

5) Public Deposits

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.

6) Cost Records

According to the information and explanation given to us, the 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.

7) Statutory Dues

- a) In our opinion the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax and any other statutory dues with the appropriate authorities. There are 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.
- a) According to the information and explanation given to us, there are no dues on account of income tax or goods and services tax, which have not been deposited on account of any dispute.

8) Unrecorded Income

- a) Based upon the audit procedures performed and the information and the explanations given by the management, there are no transactions not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) Repayment Of Dues

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, hence the provisions of clause 3(ix)(a) of the Order are not applicable to the Company and hence not commented upon;
- b) The company has not been declared a wilful defaulter by any bank or financial institution or other lender, hence the provisions of clause 3(ix)(b) of the Order are not applicable to the Company and hence not commented upon;
- c) The term loan taken by the company were applied for the purpose for which they were obtained.
- d) Short-term loans raised by the company have not been utilised for long-term purposes.
- e) The company does not have any subsidiaries, associates or joint ventures, hence the provisions of clause 3(ix)(e) of the Order are not applicable to the Company and hence not commented upon;
- f) The Company does not have any subsidiary or joint venture, hence the provisions of clause 3(ix)(f) of the Order are not applicable to the Company and hence not commented upon.

10) Application Of Money Raised by Public Issue and Preferential Allotment

- a) Based upon the audit procedures performed and the information and explanations given by the management, 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) of the Order are not applicable to the Company and hence not commented upon.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

11) Fraud

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

- a) No fraud on 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.

12) Nidhi Company

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

13) Transaction With Related Parties

In our opinion, all the transactions with related parties are in accordance with section 177 and 188 of the Companies Act, 2013 and the details have been properly disclosed in financial statements as required by applicable accounting standards.

14) Internal Audit System

- 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 the statutory auditor.

15) Non-Cash Transaction with Director

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

16) Registration With RBI

- 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) of the Order are not applicable to the Company and hence not commented upon.
- b) The company has not conducted any NBFC or HFC activities without a valid certificate of registration.
- 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 any CIC as part of the Group.

17) Cash Losses

The company has not incurred any cash loss in the financial year and in the immediately preceding financial year being audited.

18) Considerations Of Issues Raised by Outgoing Auditor

There has been no resignation of the statutory auditors during the year.

19) Existence Of Material Uncertainty as To Company Ability to Meet Its Liabilities

As per our opinion, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting 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

20) Transfer Of Unspent CSR Amount

There is no unspent amount as specified in Schedule VII of the Companies Act and hence, no comment is required under Clause 3(xx)(a) & (b) of the Order;

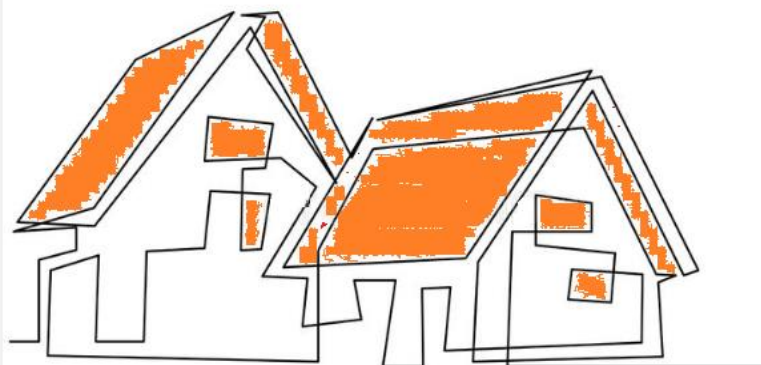
21) Qualifications Or Adverse Remarks in Caro Reports of Group Companies

This clause shall be dealt with in the consolidated auditor's report.

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

**(CA. Varun Garg)
Partner
Membership No. 523588
UDIN: 23523588BGUUYW2662**

**Place: New Delhi
Dated:29.05.2023**



ADDITIONAL AUDITOR'S REPORT

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 2023 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 standalone financial statements, whether due to fraud or error.

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

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India`

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

(CA. Varun Garg)
Partner
Membership No. 523588
UDIN:23523588BGUUYW2662

Place: New Delhi
Dated: 29.05.2023

ADDITIONAL AUDITOR'S REPORT

To,
 The Board of Directors
IFL Housing Finance Limited
 D-16, First Floor, Sector-14,
 Prashant Vihar, Rohini
 New Delhi 110085

Report on the Financial Statements

1) In addition to the report made under section 143 of the Companies Act, 2013 (the 'Act') on the financial statements of IFL Housing Finance Limited ('the Company') for the year ended 31st March 2023 and as required by the Master Direction – Non- Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 (the 'Directions'), we make a separate report to the Board of Directors of the Company on the matters specified in paragraphs 70 & 71 of the Directions to the extent applicable.

Management's and Board of Director's Responsibility for the financial statements

2) The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true & fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. The Company's management is responsible for ensuring that the Company complies with the requirements of the Directions. This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Directions.

Auditor's Responsibility

4. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.

5. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

Conclusion

7. Based on the examinations of the financial statements as at and for the year ended March 31, 2023, books of accounts and relevant records of the Company and according to the information and explanations given to us, we further report on the matters specified in Paragraph 70 & 71 of the Directions that:

ADDITIONAL AUDITOR'S REPORT

7.1.1 The company has received the Certificate of Registration (COR) No. 12.0164.17 dated 12th December, 2017 from National Housing Bank. Following are the Principal business criteria for the company:-

The company provided more than 55% (As per notification no. RBI/2020-21/73, dated 17th February, 2021) of its total assets (netted off by intangible assets) in financing of housing loan. "Housing finance" for this purpose shall mean providing finance as stated at clauses (a) to (k) of Paragraph 4.1.16 of the directions.

The company provided more than 45% (As per notification no. RBI/2020-21/73, dated 17th February, 2021) out of its total assets (netted off by intangible assets) by way of housing finance for individuals as stated at clauses (a) to (e) of Paragraph 4.1.16 of the directions.

7.1.2 The company is meeting the Net Owed Fund (NOF) requirement as prescribed under section 29A of the National Housing Bank Act, 1987.

7.1.3 The Company has complied with Section 29C of the National Housing Bank Act, 1987.

7.1.4 The total borrowings of the Company are within the limits prescribed under paragraph 27(2) of the directions

7.1.5 Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirement, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/ investments as specified in the directions.

7.1.6 The capital adequacy ratio as disclosed in the half-yearly statutory return submitted to the National Housing Bank as per the directions issued by National Housing Bank in this regard, has been correctly determined and such ratio is in compliance with the prescribed minimum capital to risk weighted asset ratio (CRAR).

7.1.7 The Company has furnished to the National Housing Bank within the stipulated period the half-yearly statutory return, as specified in the directions issued by National Housing Bank.

7.1.8 Provisions relating to filing of quarterly statutory return on Statutory liquid assets (Schedule III) as specified in the directions issued by the NHB are not applicable on the company.

7.1.9 The Company has complied with the requirements contained in the directions, in the case of opening of new branches/ offices or in the case of closure of existing branches/ offices.

7.1.10 The company has complied with the provisions contained in Paragraph 3.1.3, Paragraph 3.1.4 and Paragraph 18 of the directions.

7.1.11 The Board of Directors of the company has passed a resolution for non-acceptance of any public deposits.

7.1.12 The Company has not accepted any public deposit during the year ended 31st March, 2023.

Restriction to use

8. This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Direction and submission to NHB/RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

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

(CA. Varun Garg)
Partner
Membership No. 523588
UDIN: 23523588BGUUYW2662

Place: New Delhi
Dated: 29.05.2023

BALANCE SHEET**AS AT MARCH 31, 2023**

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

Sr. No.	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS				
I	Financial assets			
	(a) Cash and cash equivalents	4a	437.91	169.63
	(b) Bank Balance other than Cash and cash equivalents	4b	782.48	1,102.04
	(c) Loans	5	24,940.34	14,558.71
	(d) Investments	6	100.50	202.92
	(e) Other financial assets	7	208.79	194.15
	Total Financial assets		26,470.02	16,227.45
II	Non-financial assets			
	(a) Deferred tax assets (net)	8	177.69	100.61
	(b) Property, plant and equipment	9	159.69	189.78
	(c) Right to use Asset	9	679.98	707.01
	(d) Intangible assets under development	10	-	25.61
	(e) Other intangible assets	9	92.33	74.53
	(f) Other non-financial assets	11	29.30	15.30
	Total Non-financial assets		1,138.99	1,112.84
	Total Assets		27,609.01	17,340.29
LIABILITIES AND EQUITY				
LIABILITIES				
I	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		-	-
	(b) Borrowings (other than debt securities)	12	16,947.21	8,317.98
	(c) Other financial liabilities	13	1,053.77	887.16
	Total Financial liabilities		18,000.98	9,205.14
II	Non-financial liabilities			
	(a) Current tax liabilities (net)		86.82	36.11
	(b) Provisions	14	31.67	13.33
	(c) Deferred Tax Liabilities (Net)	8	-	-
	(d) Other non financial liabilities	15	1.70	41.70
	Total Non-financial liabilities		120.19	91.13
EQUITY				
	(a) Equity share capital	16	6,592.30	6,047.34
	(b) Other equity	17	2,895.54	1,996.68
	Total Equity		9,487.84	8,044.02
	Total Liabilities and Equity		27,609.01	17,340.29

Notes to the Ind AS financial statements

1-58

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

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

Varun Garg
Partner
Membership No. 523588

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Whole Time Director
DIN: 06607944

New Delhi, the 29 day of May, 2023
UDIN:23523588BGUUYW2662

Prerna Matta Arora
CFO
PAN: BAMPM7263C

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

STATEMENT OF PROFIT AND LOSS**FOR THE YEAR ENDED ON MARCH 31, 2023**

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

Sr. No. Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations			
(i) Interest Income	18	4,216.85	2,174.45
(ii) Fees and Commission Income	19	123.05	71.32
(iv) Net Gain on Fair Value Changes	20	53.70	24.47
(iii) Other Income From Operations	21	58.74	30.62
I Total Revenue From Operations			
II Other Income	22	124.36	46.86
III Total Income (I+II)		4,576.70	2,347.72
Expenses			
Finance costs	23	1,703.50	537.70
Impairment on Financial Instruments	24	56.19	30.72
Employee benefits expenses	25	1,443.65	802.17
Depreciation and amortisation expenses	9	235.93	159.90
Other expenses	26	512.46	281.82
IV Total Expenses		3,951.73	1,812.31
V Profit/ (loss) before exceptional items and tax (III-IV)		624.97	535.41
VI Exceptional items		-	-
VII Profit/ (loss) before tax		624.97	535.41
VIII Less: Tax expense			
Current tax	27	253.46	188.90
Deferred tax (Net)	27	(75.88)	(56.07)
IX Net Profit/ (loss) after tax		447.39	402.58
Other Comprehensive Income			
A. Items that will be reclassified to profit or loss			-
-Remeasurements of Defined Benefit Obligation		(4.77)	-
B. Income tax relating to items that will be reclassified to profit or loss		1.20	-
X Total Other Comprehensive Income (A+B)		(3.57)	-
XI Total Comprehensive Income (IX+X)		443.82	402.58
XII Earning Per Equity Share (EPS)			
[nominal value of share Rs. 10/ share]			
Basic (in Rs.)	28	0.73	0.70
Diluted (in Rs.)	28	0.73	0.70

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

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

Varun Garg
Partner
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Gopal Bansal
Managing Director
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New Delhi, the 29 day of May, 2023
UDIN:23523588BGUUYW2662

Perna Matta Arora
CFO
PAN: BAMP7263C

Vijay Kr. Dwivedi
Company Secretary
AN: BRGPD6317M

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED ON MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(I) Cash flow from Operating Activities		
Profit before tax	624.97	535.41
Adjustments for:		
Impairment Loss on Financial instruments	56.19	30.72
Depreciation and amortisation expense	235.93	159.90
Loss on Assets Written Off	-	1.05
Re-measurements of Defined Benefit Obligation through OCI	(4.77)	-
Gain on Fair value changes due to Fair Value through P&L Realised	(53.20)	(21.54)
Gain on Fair value changes due to Fair Value through P&L Unrealised	(0.50)	(2.93)
Interest income at amortised cost	(4,243.72)	(2,179.18)
Fees and Commission Income	(123.05)	(71.32)
Finance cost at amortised cost	1,703.50	537.70
Cash inflow from Interest Income	4,071.65	2,059.67
Cash inflow from Fees and Commission Income	618.51	307.99
Cash outflow towards finance costs	(1,711.47)	(554.83)
Cash generated from operation before working capital changes	1,174.04	802.64
Working capital changes:		
(Increase)/ decrease in trade receivables	-	-
(Increase)/ decrease in loans	(10,834.52)	(5,934.28)
(Increase)/ decrease in financial assets	(14.64)	(41.51)
(Increase)/ decrease in non- financial assets	(14.00)	(1.65)
Increase/ (decrease) in trade payables	-	8.40
Increase/ (decrease) in other financial liabilities	222.48	126.99
Increase/ (decrease) in provisions	18.34	13.33
Increase/ (decrease) in non financial liabilities	(39.99)	43.92
	(9,488.29)	(4,982.16)
Income Tax paid (Net of refunds)	(202.75)	(156.39)
Net cash flow from operating activities (I)	(9,691.04)	(5,138.55)
(II) Cash flow from Investing Activities		
Increase in Bank Balance other than Cash & Cash Equivalents	319.56	(552.04)
Sale/ (Purchase) of Property, plant & equipment	(77.04)	(229.27)
Sale/ (Purchase) of investments	100.00	800.00
Gain on sale of Investment at FVTPL	56.12	57.69
Interest Earned on Fixed Deposits	73.32	75.21
Net cash flow from investing activities (II)	471.96	151.59
(III) Cash flow from Financing Activities		
Net proceeds from issue of equity share capital	1,000.00	1,101.99
Net proceeds from borrowings	8,706.90	3,763.05
Interest expense on lease liabilities	(69.70)	(40.16)
Lease Rentals Paid	(149.84)	(96.59)
Net cash flow from financing activities (III)	9,487.36	4,728.29
Net increase/(decrease) in cash and cash equivalents (I + II + III)	268.28	(258.67)
Cash and Cash Equivalents at the beginning of the year	169.63	428.30
Cash and Cash Equivalents at the end of the year (Note 4a)	437.91	169.63

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

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

Varun Garg

Partner

Membership No. 523588

Delhi, the 29 day of May, 2023

UDIN:23523588BGUUYW2662

Gopal Bansal
Managing Director
DIN: 01246420Ashish Bansal
Whole Time Director
DIN: 06607944Purna Matta Arora
CFO
PAN: BAMPMP7263CVijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

STATEMENT OF CHANGE IN EQUITY**FOR THE YEAR ENDED ON MARCH 31, 2023**

(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, 2021	5,44,68,000	5,446.80
Shares allotted through right issue during the year	6,005,400	600.54
As at March 31, 2022	6,04,73,400	6,047.34
Shares allotted through right issue during the year	54,49,600	544.96
As at March 31, 2023	6,59,23,000	6,592.30

b. Other Equity**Statement of Changes in Other Equity for the year ended March 31, 2023**

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	321.18	566.15	1,109.35	-	1,996.68
Equity Shares issued during the year	-	455.04	-	-	455.04
Profit For the Year	-	-	447.39	-	447.39
Total Comprehensive Income for the year	-	-	-	(3.57)	(3.57)
Transfer to Special Reserve in terms of Sec 29C of the NHB Act, 1987	89.48	-	(89.48)	-	-
Others	-	-	-	-	-
Balance as at March 31, 2022	410.66	1021.19	1,467.26	-	2,895.54

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	Remeasurement of Defined Benefit Liability/Asset	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	-	-	492.85	-	492.85
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

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

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

Varun Garg
Partner
Membership No. 523588
UDIN:23523588BGUUYW2662
New Delhi, the 29 day of May, 2023

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Whole Time Director
DIN: 06607944

Prerna Matta Arora
CFO
PAN: BAMPMP7263C

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023**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 Pledge 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 29, 2023.

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)

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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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.

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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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.

(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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

(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.

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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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.

(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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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.

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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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.

(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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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.

(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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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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NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

4.(a) Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	118.88	110.61
Balance with banks:		
-In current accounts	169.03	58.55
-Remittance in Transit	-	0.47
In Other Deposit Accounts		
-In fixed deposits (maturities upto 3 months)	150.00	-
Total	437.91	169.63

(b) Bank Balance other than Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
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)	782.48	1,052.04
Total	782.48	1,102.04

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

- Fixed deposits of Rs. 100 Lakhs (P.Y. Rs. 100 Lakhs) against which Bank Guarantee is being given to NHB for loan.
- Fixed deposits of Rs. 50 Lakhs (P.Y. Nil) against which Bank Guarantee is being given to NHB for loan
- Fixed deposits of Rs. 31.88 lakhs (P.Y. Rs. NIL) against which Bank Guarantee is being given to Mas Financial Services Ltd for Loan.
- Fixed deposits of Rs. 30 Lakhs (P.Y. Rs. NIL) against which Bank Guarantee is being given to DCB for loan.
- Fixed deposits of Rs. 568.60 Lakhs (P.Y. Rs. 950 Lakhs) against which Overdraft limit from AU Bank.
- Fixed deposits of Rs. 1 lakhs (P.Y. Rs. 1.02 Lakhs) against Overdraft Facility from Federal Bank.
- Fixed deposits of Rs. 1 lakhs (P.Y. Rs. 1.02 Lakhs) against Overdraft Facility from City Union 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, 2023	As at March 31, 2022
Housing loans	14,709.01	8,559.55
Loan Against Property	1,783.43	2,205.06
Loan Against Shares	-	181.34
Loan Against Gold Jewellery	8,596.83	3,705.51
Total Gross (A) (I)	25,089.27	14,651.46
Less: Impairment Loss Allowance	148.93	92.75
Total Net (A) (II)	24,940.34	14,558.71
(B) (i) Secured by Tangible Assets	25,089.27	14,470.12
(ii) Secured by Intangible Assets	-	181.34
(iii) Unsecured	-	-
Total Gross (B) (I)	25,089.27	14,651.46
Less: Impairment Loss Allowance	148.93	92.75
Total Net (B) (II)	24,940.34	14,558.71
(C) (I) Loans in India		
(i) Public Sector	-	-
(ii) Others	25,089.27	14,651.46
Total Gross (C) (I)	25,089.27	14,651.46
Less: Impairment Loss Allowance	148.93	92.75
Total Net (C) (II)	24,940.34	14,558.71
(II) Loans Outside India	-	-
Less: Impairment Loss Allowance	-	-
Total Net (C) (III)	-	-
Total Net (C) (II) and (III)	24,940.34	14,558.71

5.1 Loans granted to promoters, Directors, KMPS and related parties

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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

6. Investments**In India (at FVTPA)**

Particulars	As at March 31, 2023	As at March 31, 2022
In Mutual Funds*		
A. At Fair Value through profit and loss	100.00	199.99
Add: Fair Value Gains	0.50	2.93
Total Gross	100.50	202.92
B. Impairment Loss Allowance	-	-
C. Net (A)- (B)	100.50	202.92

* 100% of the investments in mutual funds are in Equity Oriented Mutual Funds as on 31st March 2023**6.1 Details of Investments are as follows:****Mutual Funds as on March 31, 2023**

Particulars	Units (in Nos.)	Amount
SBI Multicap Fund	9,99,950	100.50
Total	9,99,950	100.50

Mutual Funds as on March 31, 2022

Particulars	Units (in Nos.)	Amount
SBI Magnum Low Duration Fund	3,514	100.05
SBI Multicap Fund	9,99,950	102.87
Total	10,03,464	202.92

7. Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit- Unsecured; Considered Good	37.00	35.75
Accrued interest		
-on FD	47.58	67.16
-on others	2.29	1.15
Balances with Govt Authorities	10.89	-
Cash Collateral (Deposits)	58.13	79.23
Others	52.90	10.86
Total	208.79	194.15

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance of Deferred Tax Asset	100.61	44.54
a. Changes in deferred tax assets/(liabilities) recorded in profit or loss	75.88	56.07
b. Changes in deferred tax recorded in other comprehensive Income	1.20	-
c. Changes in deferred tax recorded in Retained	-	-
Closing Balance of Deferred Tax Assets	177.69	100.61

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

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax related to the following		
Disallowances u/s 43B of the Income Tax Act, 1961	0.54	0.61
Disallowances u/s 40A of the Income Tax Act, 1961	4.08	2.60
Impairment on financial instruments	(23.02)	23.34
Depreciation and amortisation expenses	9.09	2.90
Financial Instrument (Loans) measured at EIR	99.86	48.39
Financial Instrument (Borrowings) measured at EIR	(19.55)	(14.42)
Lease Liability Impact	5.06	5.08
Special Reserve Created u/s 36(1)(viii)	(0.79)	(11.16)
Unrealised net gain/loss on fair value changes	0.61	(0.74)
Others	-	(0.53)
Deferred Tax Assets	75.88	56.07

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

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax related to the following		
Remeasurements of Defined Benefit Obligation	1.20	--
Deferred Tax Assets	1.20	--

8.3 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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

(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, 2023:

Particulars	Gross Block			Depreciation/ Amortisation			Net Block		
	As at April 01, 2022	Addition	Deduction / Sale	As at March 31, 2023	As at April 01, 2022	For the Year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
A. Property, Plant and Equipment									
Furniture and fixtures	107.13	23.35	-	130.48	23.76	26.09	49.85	80.63	83.37
Vehicles	19.95	-	-	19.95	12.95	2.11	15.06	4.89	7.00
Office Equipments	63.59	16.04	0.09	79.54	22.26	20.02	42.28	37.27	41.34
Computers	85.16	9.96	-	95.12	39.09	32.46	71.55	23.57	46.07
Plant and Machinery	13.77	3.89	-	17.66	1.77	2.56	4.33	13.33	12.00
Sub Total	289.60	53.24	0.09	342.75	99.83	83.24	183.07	159.69	189.78.
Previous Year	106.17	184.48	1.05	289.60	44.07	55.77	99.83	189.78	62.11
B. Right to use Assets									
Office Premises (Right of Use asset)	817.86	93.97	-	911.84	110.85	121.00	231.86	679.98	707.01
Sub Total	817.86	93.97	-	911.84	110.85	121.00	231.86	679.98	707.01
Previous Year	146.42	671.44	-	817.86	32.34	78.51	110.85	707.01	114.08
C. Intangible Assets									
Softwares	130.57	49.50	-	180.06	56.04	31.69	87.73	92.33	74.52
Sub Total	130.57	49.50	-	180.06	56.04	31.69	87.73	92.33	74.52
Previous Year	111.38	19.19	-	130.57	30.43	25.61	56.04	74.53	80.95

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

Notes

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

10. Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development (software)	-	25.61
Total	-	25.61

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

Intangible assets under development as on March 31, 2023

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	-	-	-	-

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	-	-	-	-

11. Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Statutory Authorities	7.67	-
Prepaid expenses	21.63	15.30
Total	29.30	15.30

12. Borrowings (other than debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
At Amortised Cost		
Term Loans:		
- From Banks	5,175.65	4,564.09
- From Other Non-Banking Financial Companies	8,568.59	1,538.22
- From National Housing Bank	1,052.06	900.56
Overdraft:		
- From Banks	900.91	1,315.11
Total	15,697.21	8,317.98
Unsecured		
At Amortised Cost		
Term Loan		
- From Other Non-Banking Financial Companies	1,250.00	-
Total	1,250.00	
Out of Above:		
In India	16,947.21	8,317.98
Outside India	-	-

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

12.1 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 MD/Directors. The same are repayable in equal instalments from 36 to 96 months.
- b Term Loans from other Financial Companies 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 MD/Directors. The same are repayable in equal instalments from 24 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 MD/Directors. The same are repayable in Quarterly equal instalments from 60 to 120 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 MD/Directors. The company has also placed Fixed Deposit of Rs 1 lakh each against Overdraft facility availed from City Union Bank and Federal Bank.
- e Quarterly Returns filed with 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.
- g. The company has taken unsecured loan from a Non- Banking Financial Company which is repayable on demand.

12.2 Terms of Repayment of Term Loans and Debentures as at March 31, 2023

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Secured					
At Amortised Cost					
Term Loans:					
From Banks	1189.71	2004.81	1120.63	860.50	5175.65
ROI 9.15%-14.00%					
From National Housing Bank (NHB)	254.49	403.79	101.77	292.01	1052.06
ROI 6.55%-7.85%					
From Non-Banking Financial Companies	2889.08	4641.18	1038.33	-	8568.59
ROI 11.00%-14.00%					
Overdraft:					
ROI 10.00%-10.75%	900.91				900.91
Total Secured	5,234.19	7,049.78	2,260.73	1,152.51	15,697.21
Unsecured					
At Amortised Cost					
From Non-Banking Financial Companies		1,250.00			1,250.00
ROI 12.00%					
Total Unsecured		1,250.00			1,250.00
Total	5,234.19	8,299.78	2,260.73	1,152.51	16,947.21
EIR Impact					155.37
Total					17,102.58

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

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Secured					
At Amortised Cost					
Term Loans:					
From Banks	714.21	1,501.58	1,327.13	1,021.17	4,564.09
ROI 8.70%-9.63%					
From National Housing Bank (NHB)	288.00	576.00	36.56	-	900.56
ROI 6.55%-6.65%					
From Non-Banking Financial Companies	633.89	692.89	211.44	-	1,538.22
ROI 11.45%-12.60%					
Overdraft:					
ROI 9.90%-10.75%	1315.11	-	-	-	1315.11
Total	2,951.20	2,770.47	1,575.13	1,021.17	8,317.98
EIR Impact					77.70
					8,395.68

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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

13. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued But Not Due on Borrowings	77.77	3.74
Lease liability* (Note 13.a)	741.36	728.33
expenses payable	144.30	117.58
Payable to Statutory Authorities	38.51	8.49
Other payable	51.83	29.01
Total	1,053.77	887.16

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

a. Lease Liability Movement

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	728.33	114.65
<u>Add:</u>		
Addition during the year	105.76	680.98
Interest on lease Liability	69.70	40.16
<u>Less:</u>		
Derecognised during the year	(12.59)	(10.87)
Lease Rental Payments	(149.84)	(96.59)
Balance as at the end of the year	741.36	728.33

b. Maturity Analysis of Lease Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Less than One year	18.51	71.85
One to five Year	58.13	402.48
More than five Year	664.72	254.00
Total	741.36	728.33

14. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
-Gratuity	27.10	10.91
-Leave Encashment	4.57	2.42
Total	31.67	13.33

15. Other non financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Interest Received on Loans	1.70	41.70
Total	1.70	41.70

16. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	(Amount)	Nos.	(Amount)
Authorized shares				
Equity shares of Rs. 10 each with voting rights	70,000,000	6,500.00	65,000,000	6,500.00
Issued, subscribed and fully paid- up shares	6,59,23,000	6,592.30	60,473,400	6,047.34

16.1 Reconciliation of number of equity shares and amount outstanding

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	(Amount)	Nos.	(Amount)
Equity Shares				
- At the beginning of the period	60,473,400	6,047.34	54,468,000	5,446.80
- Issued during the year (Right Issue)#	5,449,600	544.96	6,005,400	600.54
	65,923,000	6,592.30	60,473,400	6,047.34
Total Outstanding at the end of the period				

#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. 8.35 per share) pursuant to the scheme of right issue.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

16.2 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.

16.3 Shares held by holding Company

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
India Finsec Limited	4,13,49,860	62.72%	39,714,980	65.67%

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
India Finsec Limited	4,13,49,860	62.72%	39,714,980	65.67%
Mr. Gopal Bansal	73,93,460	11.22%	53,88,000	8.91%
Mr. Sunita Bansal	69,42,410	10.53%	62,23,070	10.29%

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

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
India Finsec Limited	4,13,49,860	62.72%	39,714,980	65.67%
Mr. Gopal Bansal	73,93,460	11.22%	53,88,000	8.91%
Ms. Sunita Bansal	69,42,410	10.53%	6,223,070	10.29%
M/s Gopal Bansal (Huf) *	20,07,734	3.05%	2,007,734	3.32%
Ms. Kriti Suri #	19,07,361	2.89%	1,480,010	2.45%
Mr. Virender Kumar Bansal *	19,07,361	2.89%	1,362,401	2.25%
Ms. Santosh Bansal *	14,80,010	2.25%	1,362,401	2.25%
Mr. Ashish Bansal #	6,81,201	1.03%	681,201	1.13%
Ms. Nirmala Devi \$	6,81,201	1.03%	681,201	1.13%
Mr. Naresh Kumar Bansal \$	6,81,201	1.03%	681,201	1.13%
Ms. Charu Bansal \$	6,81,201	1.03%	681,201	1.13%
M/s Arvind Kumar Bansal (Huf) *	2,09,990	0.32%	209,990	0.35%
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

17. Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
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	321.18	240.66
Add: Transferred during the year	89.48	80.52
Net Balance of Special Reserve	410.66	321.18
Securities Premium		
Opening balance	566.15	64.70
Add: addition/(deletion) during the year	455.04	501.45
Closing balance	1,021.19	566.15
Retained earnings		
Opening balance	1,109.35	787.29
Add: Profit/(loss) for the year	447.39	402.58
Less: Appropriation to Statutory reserve	(89.48)	(80.52)
Closing balance	1,467.26	1,109.35

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

17. Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Equity instruments through other comprehensive income		
Opening balance	-	-
Add: addition/(deletion) during the year	(3.57)	-
Closing balance	(3.57)	-
Total	2,895.54	1,996.68

17.1 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.

18. Interest Income

Particulars	As at March 31, 2023	As at March 31, 2022
Interest income		
<u>On financial assets measured at amortised cost</u>		
- on loans	4,143.53	2,099.24
- Interest on Deposits with Banks	73.32	75.21
Total	4,216.85	2,174.45

19. Fees and Commission Income

Particulars	As at March 31, 2023	As at March 31, 2022
Fees and Other Charges	123.05	71.32
Total	123.05	71.32

20. Net Gain on Fair Value Changes

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Net gain/(loss) on financial instruments at fair value through profit & loss		
(i) On trading portfolio		
- Investments		
- Derivatives		
- Others		
(ii) On financial instruments designated through profit & loss	53.70	24.47
(B) Others	-	-
Net gain on fair value changes	53.70	24.47
<u>Fair Value Changes:</u>		
- Realised	53.20	21.54
- Unrealised	0.50	2.93
Net gain on fair value changes	53.70	24.47

21. Other Income from Operation

Particulars	As at March 31, 2023	As at March 31, 2022
Other Income From Operation	58.74	30.62
Total	58.74	30.62

22. Other Income

Particulars	As at March 31, 2023	As at March 31, 2022
Other Interest Income	26.87	4.74
Advertisement Income	88.26	32.50
Other Income	9.23	9.62
Total	124.36	46.86

23. Finance Costs

Particulars	As at March 31, 2023	As at March 31, 2022
On financial liabilities measured at amortised cost		
- Interest on borrowings	1619.62	490.64
- Interest expense on lease liabilities	69.70	40.16
- Bank Charges	14.18	6.90
Total	1703.50	537.70

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

24. Impairment on Financial Instruments

Particulars	As at March 31, 2023	As at March 31, 2022
On Financials Instruments measured at amortised Cost		
- Loans	56.19	30.72
Total	56.19	30.72

25. Employee benefits expenses

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries and Wages	1213.41	681.70
Contribution to Provident and Other Funds	90.33	56.60
Staff Welfare Expenses	22.41	11.34
Other Benefits	117.50	52.53
Total	1443.65	802.17

26. Other expenses

Particulars	As at March 31, 2023	As at March 31, 2022
Advertisement expenses	16.21	15.02
Payments to Auditors (refer Note 26.1)	2.21	1.57
<u>Insurance Expense</u>		
- Car Insurance	0.02	0.22
- Office Insurance	27.42	12.51
Commission expenses	5.07	0.55
Conveyance expenses	75.44	38.92
Communication Expense	8.07	4.01
Director's Sitting Fees	1.66	2.35
Documentation & stamp charges	1.89	0.92
Document Handling & Storage Expense	6.25	2.23
<u>Donations</u>		
- for Corporate Social Responsibility (refer Note 26.2)	11.50	7.00
Fee & subscriptions	31.09	7.41
Interest on government dues	0.27	0.44
Legal & technical charges	71.92	38.49
Branch opening expenses	0.02	0.26
Professional charges	43.64	30.41
Printing & Stationery	21.82	16.38
Power & Fuel	23.19	9.70
Postage & Courier	11.41	5.19
Rent expenses	40.97	12.80
<u>Repair & Maintenance</u>		
- Office Repair & Maintenance	8.83	11.38
- Vehicle Repair & Maintenance	0.72	1.06
- Computer Repair & Maintenance	1.12	2.71
Software expenses	35.64	28.77
Server Maintenance Charges	7.02	2.78
Tour & travelling expenses	7.63	3.24
Other expenses	51.43	25.50
Total	512.46	281.82

26.1 Auditor Remuneration Includes:

Particulars	As at March 31, 2023	As at March 31, 2022
- for statutory audit	1.36	0.89
- for tax audit	0.44	0.30
- for certification fees	0.41	0.38
Total	2.21	1.57

26.2. 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	As at March 31, 2023	As at March 31, 2022
For Corporate Social Responsibility	11.50	7.00
Total	11.50	7.00

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

26.2.1	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Gross amount required to be spent by the Company during the year	11.50	9.36
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	11.50	7.00
e)	Shortfall at the end of the year	-	-
f)	Total of Previous Year Shortfall	-	-
g)	Un-utilised Amount carried forward to next year	-	-
h)	Excess Amount spent carried forward to next year *	-	-
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.

27. Income Tax

The components of income tax expense are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax	253.46	188.90
Adjustment in respect of current income tax of prior years	-	-
Deferred Tax		
Deferred Tax Charge	(75.88)	(40.45)
Adjustment in respect of prior Year	-	(15.62)
Income tax expense reported in Statement of Profit and Loss	177.58	132.83

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%).

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, 2023 and year ended March 31, 2022 is, as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before tax	624.97	535.41
At India's statutory income tax rate of 25.168% (2021: 25.168%)	157.30	134.75
Reconciling Items		
Statutory Reserve u/s 36(1)(viii) of Income Tax Act, 1961	11.95	11.16
Corporate Social Responsibility and Others	8.33	(13.08)
Income tax expense reported in the Statement of Profit and Loss	177.58	132.83

28. Earnings per Equity share

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit attributable to ordinary equity holders	447.39	402.58
Weighted average number of equity shares for basic earnings per share	610.71	573.54
Effect of dilution	-	-
Weighted average number of equity shares for diluted earnings per share	610.71	573.54
Earnings per equity share:		
Basic earnings per share (Rs.)	0.73	0.70
Diluted earnings per share (Rs.)	0.73	0.70

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

29. 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. 47.49 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. 41.99 Lakhs as per Section 29C of the National Housing Bank Act, 1987.

30. 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. 64.44 Lakhs (March 31, 2022: Rs. 37.47 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. 14.40 lakhs (March 31, 2022: Rs. 8.22 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

Net benefit expense recognised in Statement of Profit and Loss

Particular	(Rs. in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Service Cost	10.75	10.91
Net Interest Cost	0.67	0
Total expense recognised in the employee benefit expense	11.42	10.91

Details of changes in present value of defined benefit obligations as follows: (Rs.in lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	10.91	NA
Service cost	10.75	10.91
Net Interest Cost	0.67	0
Re-measurements	4.73	0
Liability Transferred In/Out	0	0
Contribution paid to fund	0	0
Present value of obligation as at the end of the year	27.09	10.91

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

Particular	As at March 31, 2023	As at March 31, 2022
i) Discount rate	7.36%	6.19%
ii) Future salary increase	15.00%	15.00%
iii) Withdrawal Rate	30.00%	30.00%
iv) Mortality Rate	100.00%	100.00%

Notes:

- 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.
- 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.
- 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. 4.56 Lakhs.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

31. 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.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	(Rs. in Lakhs)					
Financial assets						
(a) Cash and cash equivalents	437.91	-	437.91	169.63	-	169.63
(b) Bank Balance other Cash and cash equivalents	628.98	153.50	782.48	1002.04	100.00	1102.04
(c) Loans*	10569.42	14370.92	24940.34	4958.19	9600.52	14558.71
(d) Investments	100.50	-	100.50	202.92	-	202.92
(e) Other financial assets	113.67	95.12	208.79	103.46	90.69	194.15
Total Financial assets	11850.48	14619.54	26470.02	6436.24	9791.21	16227.45
Non-financial assets						
(a) Deferred tax assets (net)	-	177.69	177.69	-	100.61	100.61
(b) Property, plant and equipment	-	159.69	159.69	-	189.78	189.78
(c) Right to use Asset	16.91	633.07	679.98	108.44	598.57	707.01
(d) Intangible assets under development	-	-	-	25.61	-	25.61
(e) Other intangible assets	-	92.33	92.33	-	74.53	74.53
(f) Other non-financial assets	29.30	-	29.30	15.30	-	15.30
Total Non-financial assets	46.21	1092.78	1139.99	149.35	963.49	111,284
Total Assets	11896.69	15712.32	27609.01	6585.59	10754.70	17340.29

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

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	(Rs. In lakhs)					
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	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	5234.19	11713.02	16947.21	2951.21	5366.77	8317.98
(c) Other financial liabilities	330.92	722.85	1053.77	201.65	685.50	887.15
Total Financial liabilities	5565.11	12435.87	18000.98	3152.87	6052.27	9,205.14
Non-financial liabilities						
(a) Current tax liabilities (net)	86.82	-	86.82	36.11	-	36.11
(b) Provisions	4.57	27.10	31.67	2.42	10.91	13.33
(c) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
(d) Other non financial liabilities	-	1.70	1.70	0.02	41.68	41.70
Total Non-financial liabilities	91.39	28.80	120.19	38.55	52.59	91.14
(a) Equity share capital	-	6592.30	6592.30	-	6047.34	6047.34
(b) Other equity	-	2895.54	2895.54	-	1996.68	1996.98
Total Equity	-	9487.84	9487.84	-	8044.02	8044.02
Total Liabilities and Equity	5656.50	21952.51	27609.01	3191.41	14148.88	17340.29

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023**32. Contingent liabilities and commitments:**

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(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	992.21	856.39
	-Towards sanction pending disbursement	164.29	128.36
	-Towards part disbursement	827.92	728.03
(V)	Pending capital commitment	-	-

33. 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, 2023	As at March 31, 2022
Tier I capital	8537.84	6,299.88
Tier II capital	66.83	52.38
Total capital (Tier I + Tier II)	8604.67	7188.64
Adjusted value of funded risk assets i.e. On Balance Sheet Item	15790.31	9540.81
Adjusted value of non-funded risk assets i.e. Off Balance Sheet Item	496.10	428.20
Total Risk weighted assets	16286.42	9969.01
Tier I capital ratio	52.42%	71.58%
Tier II capital ratio	0.41%	0.53%
Total capital ratio	52.83%	72.11%

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.

34. 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.

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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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, 2023 is as follows:

(Rs. in lakhs)

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments- FVTPL	100.50	-	-	100.50

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

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.

Particulars	Level	Carrying Value		Fair Value*	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets					
Cash and cash equivalents	1	437.91	169.63	437.91	169.63
Bank Balance other Cash and cash equivalents	1	782.48	1102.04	782.48	1102.04
Loans	3	24940.34	14558.71	24,940.34	14,558.71
Other financial assets	3	208.79	194.15	208.79	194.15
Financial assets		26,369.52	16,024.53	26,369.52	16,024.53
Financial liabilities					
Payables					
Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises	3	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3	-	-	-	-
Borrowings (other than debt securities)	3	16947.21	8317.98	16947.21	8317.98
Other financial liabilities	3	1053.77	887.16	1053.77	887.16
Financial liabilities		18000.98	4,780.63	9,196.64	4,780.63

*fair value computed using discounted value method.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

35. 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:

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

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, 2023:		(Rs. in lakhs)		
Particulars	Stage 1	Stage 2	Stage 3	
Gross Carrying Value	20,272.88	4567.23	249.16	
Allowance for ECL	66.83	27.06	55.05	
ECL Coverage Ratio (%)	0.33%	0.59%	22.09%	

As at March 31, 2022:		(Rs. in lakhs)		
Particulars	Stage 1	Stage 2	Stage 3	
Gross Carrying Value	11,865.49	2598.32	187.64	
Allowance for ECL	38.29	14.09	40.37	
ECL Coverage Ratio (%)	0.32%	0.54%	21.51%	

Movement of impairment loss allowance		(Rs. in lakhs)		
Particulars	Stage 1	Stage 2	Stage 3	
Impairment Loss Allowance as at March 31, 2022	38.29	14.09	40.37	
New Addition/Reduction during the year	28.54	12.97	14.68	
Impairment Loss Allowance as at March 31, 2023	66.83	27.06	55.05	

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023**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.

Asset liability management (ALM)

The Maturity pattern of Financial Assets and Liabilities at undiscounted rate as on March 31, 2023 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	437.91	-	-	-	-	-	-	-	437.91
Bank Balance other than Cash and cash equivalents	-	-	-	14.75	614.23	149.75	3.75	-	782.48
Loans	437.99	503.02	449.97	1697.62	7480.82	5271.88	5290.10	3808.94	24,940.34
Investments	-	100.50	-	-	-	-	-	-	100.50
Other financial assets	12.06	-	-	13.04	105.38	35.46	5.85	37.00	208.79
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	-	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)									
	338.56	331.65	333.41	1094.77	3135.80	8299.78	2260.73	1152.51	16,947.21
Other financial liabilities	276.81	-	-	29.76	24.26	22.21	35.97	664.76	1053.77

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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	-	1002.04	-	-	-	-	100.00	-	1102.04
Loans	396.31	276.01	225.75	1279.46	2780.68	2639.06	2836.14	4125.31	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	-	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	114.62	85.40	85.40	980.58	1658.21	2770.48	1575.12	1021.17	8317.98
Other financial liabilities	135.78	6.03	6.08	17.89	35.86	139.09	263.03	283.03	887.16

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 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:

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

(Rs. in lakhs)

Impact on Profit Before Taxes	As at March 31, 2023	As at March 31, 2022
On Floating Rate Borrowings		
1% increase in interest rate	143.54	56.81
1% decrease in interest rate	(143.54)	(56.81)
On Floating Rate Loans and Advances		
1% increase in interest rate	20.17	27.40
1% decrease in interest rate	(20.17)	(27.40)

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.

36. 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, 2023	As at March 31, 2022
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 appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

37. 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: -

S. 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) Ms. Prerna Matta Arora (CFO)* Mr. Vijay Kumar Dwivedi (Company Secretary) Ms. Gunjan Jain Jindal (CFO) ** Mr. Somesh Tewari (CEO)***
(iii)	Relatives of Key Management Personnel	Daisy Distributors Private Limited Gopal Bansal HUF Ms. Charu Bansal Mr. Naresh Kumar Bansal Ms. Nirmala Devi

* Resigned on 24.04.2022 and Appointed w.e.f 01.11.2022

** Appointed on 25.04.2022 and Resigned w.e.f 31.10.2022

*** Appointed w.e.f 10.03.2023

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	
			31/03/2023	31/03/2022	31/03/2023	31/03/2022
			Amount	Amount	Amount	Amount
(i)	<u>Key Managerial Personnel:-</u>					
	Mr. Gopal Bansal	Director remuneration	17.61	17.24	1.50	1.50
		Allotment of Equity Share	368.00	Nil	Nil	Nil
	Ms. Sunita Bansal	Rent paid	9.00	8.63	Nil	Nil
		Director remuneration	8.81	8.67	0.75	0.75
		Advance given	Nil	Nil	Nil	Nil
		Advance received back	Nil	Nil	Nil	Nil
		Allotment of Equity share	131.99	46.41	Nil	Nil
	Ms. Kriti Suri	Salary and Conveyance	8.79	8.65	0.75	0.75
	Ms. Ashish Bansal	Allotment of equity shares	Nil	56.88	Nil	Nil
		Director Remuneration	11.74	Nil	Nil	Nil
	Ms. Prerna Matta Arora	Salary	6.40	9.84	1.35	1.35
	Ms. Gunjan Jain Jindal	Salary	6.33	Nil	Nil	Nil
	Mr. Somesh Tewari	Salary	4.03	Nil	4.03	Nil
	Mr. Vijay Kr. Dwivedi	Salary	8.50	6.67	0.78	0.78

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

S. No	Transaction with	Nature of Transaction	Transactions during the year		Balances as at	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022
			Amount	Amount	Amount	Amount
(iii)	Relatives of Key Management Personnel: -					
	Gopal Bansal	Rent paid	9.00	8.63	Nil	Nil
	HUF	Allotment of Equity shares	Nil	Nil	Nil	Nil
		Advance given	Nil	Nil	Nil	Nil
		Advance received back	Nil	Nil	Nil	Nil
	Nirmala Devi	Allotment of Equity shares	Nil	Nil	Nil	Nil
	Naresh Kr. Bansal	Allotment of Equity shares	Nil	56.88	Nil	Nil
	Charu Bansal	Allotment of Equity shares	Nil	56.88	Nil	Nil
	India Finsec Limited	Allotment of Equity shares	300.00	Nil	Nil	Nil

38. 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.

39. Analytical ratios:

Ratio	Numerator	Denominator	For the Year 31.03.2023	For the Year 31.03.2022	% 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 Item and Adjusted value of non-funded risk assets i.e. Off Balance Sheet Item	52.83%	72.11%	(19.28%)	Funding from Outside lenders.
(b) Tier I CRAR	Tier I Capital		52.42%	71.58%	(19.16%)	
(c) Tier II CRAR	Tier II Capital		0.41%	0.53%	(0.17%)	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.

40. During the financial year ended March 31, 2023, the company has reclassified the following comparative figures which do not have material impact on the financial statements.

Note No.	Note Description	Previously Reported Amount	Current Revised Numbers	Change
	LIABILITIES			
1	Trade Payables			
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12.36	-	(12.36)
2	Other Financial liabilities	866.31	887.16	20.85
3	Other non-financial liabilities	50.19	41.70	(8.49)
	NET CHANGE IN TOTAL LIABILITIES			0.00

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

41. 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).
42. 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 2022-23.
43. 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
1	2	3	4	5= 3-4	6	7= 4-6
Asset Classification as per RBI Norms						
Performing Assets						
Standard	Stage 1	20,272.88	66.83	20,206.05	66.83	-
	Stage 2	4,567.23	27.06	4,540.17	12.83	14.23
Sub Total		24,840.11	93.88	24,746.22	79.66	14.23
Non- Performing Assets (NPA)						
Sub-Standard	Stage 3	197.14	31.43	165.71	30.32	1.11
Doubtful- upto 1 Year	Stage 3	29.34	7.66	21.68	7.50	0.16
1 to 3 Year	Stage 3	11.30	4.58	6.72	4.52	0.06
More than 3 Years	Stage 3	-	-	-	-	-
Sub Total for Doubtful		40.64	12.23	28.40	12.02	0.23
Loss	Stage 3	11.38	11.38	-	11.38	-
Sub Total for NPA		249.16	55.05	194.11	53.71	1.34
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	20,272.88	66.83	20,206.05	66.83	-
	Stage 2	4,567.23	27.06	4,540.17	12.83	14.23
	Stage 3	249.16	55.05	194.11	53.71	1.34
Total		25,089.27	148.93	24,940.33	133.37	15.56

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

Particulars	As at March 31, 2023
Asset side	Amount Outstanding as at March 31, 2023
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	
(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, 2023		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2. Other than Related Parties	24,940.34	-	24,940.34
Total	24,940.34	-	24,940.34

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, 2023		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2. Other than Related Parties	100.50	-	100.50
Total	100.50	-	100.50

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

8. Other Information

Particulars	Amount as at March 31, 2023
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other Than Related Parties	249.16
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other Than Related Parties	194.11
(iii) Asset acquired in satisfaction of Debt	

Notes:

- 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.
- 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.
- 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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

45. Additional Disclosures In Terms of RBI/NHB Guidelines**45.1 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 February 17, 2021

a. IFL Housing Finance Limited is a Housing Finance Company whose financial assets in the business of providing finance for housing, is 55.17% of its Total Balance Sheet Assets (Netted Off by Intangible Assets) (Previous Year was 52.09%).

b. Out of the total assets (netted off by intangible), 55.17% is by way of housing finance for individuals (Previous Year was 52.09%).

45.1.2 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.

45.2 Capital to Risk Assets Ratio (CRAR):

Particulars	As at March 31, 2023	As at March 31, 2022
(i) CRAR (%)	52.83%	72.11%
(ii) CRAR-Tier I Capital (%)	52.42%	71.58%
(iii) CRAR-Tier II Capital (%)	0.41%	0.53%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
a) Statutory reserve fund u/s 29C of NHB 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 NHB Act,1987	238.53	194.17
c) Total	321.18	240.66
Addition/Appropriation/Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act,1987	-	-
Current Year	41.99	36.16
Previous Year Short Created	-	-
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	47.49	44.35
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	124.64	82.65
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the NHB Act, 1987	286.02	238.53
c) Total	410.66	321.18

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.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

45.4 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
(i) Gross value of investments		
(a) In India	100.50	202.92
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	100.50	202.92
(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	-	-

45.5 Derivatives

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

Particulars	As at March 31, 2023	As at March 31, 2022
(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.

45.5.2 Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31, 2023	As at March 31, 2022
(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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

45.5.3 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, 2023		As at March 31, 2022	
	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

45.6 Securitisation

Particulars	As at March 31, 2023	As at March 31, 2022
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
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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
(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

45.6.3 Details of Assignment transactions undertaken by HFCs

Particulars	As at March 31, 2023	As at March 31, 2022
(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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

45.6.4 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

Particulars	As at March 31, 2023	As at March 31, 2022
1. (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2. (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

Particulars	As at March 31, 2023	As at March 31, 2022
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

45.7 Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities as on March 31, 2023

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	10.30	0.00	88.45	98.74	99.06	297.82	595.33	2004.81	1120.63	860.50	5175.65
Market Borrowings											
- FI	83.93	23.37	132.50	232.90	234.35	712.12	1,469.90	5,891.18	1038.33	-	9818.59
- NHB	-	-	-	-	-	84.83	169.66	403.79	101.77	292.01	1,052.06
Overdraft From Banks#	-	-	-	-	-	-	900.91	-	-	-	900.91
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	66.25	210.84	160.90	503.02	449.97	1,697.62	7,480.82	5,271.88	5,290.10	3,808.94	24,940.34
Investments	-	-	-	100.50	-	-	-	-	-	-	100.50
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, 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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

45.8 Exposure

45.8.1 Exposure to Real Estate Sector

Particulars	As at March 31, 2023	As at March 31, 2022
Category		
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;	16,437.16	10,670.97
(i) Out of the above Individual Housing Loans up to Rs. 15.00 lakh	13,857.38	7,089.05
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	55.28	93.64
(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	16,492.44	10,764.61

45.8.2 Exposure to Capital Market

Particulars	As at March 31, 2023	As at March 31, 2022
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	100.50	-
(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;	-	181.346
(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;	-	-

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
(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	100.50	181.34

45.8.3 Details of financing of parent company products

No financing of parent company products is done.

45.8.4 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 (GBL). For this, higher of the sanctioned limit or entire outstanding is being reckoned for exposure limit.

45.8.5 Unsecured Advances

- The Company did not financed projects (including infrastructure projects), thus treatment of the rights, licenses, authorisations, etc., charged to the HFCs as collateral in respect of such projects (including infrastructure projects) financed by the company, as in-tangible security and thus unsecured is not applicable.
- 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 Quotable Equity Shares of Bajaj Healthcare.

45.8.6 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	-	-	-	-

46. Miscellaneous**46.1 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 2023.
- The Company has registered itself with the Information Utility [NeSL (National E Governance Services Ltd.)] as required under Insolvency & Bankruptcy Code, 2016.

46.2 Disclosure of Penalties imposed by NHB and other regulators

- There is no penalty imposed by NHB or other regulator during FY 2022-23.
- 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 FY 2021-22.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

46.3 Related party Transactions

Detailed information furnished under Note No. 37

46.4 Group Structure

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

46.5 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	Infomercs Valuation and Ratings Pvt Ltd	IVR BBB-/Stable	August 11, 2022	August 10, 2023
Long Term Bank Facilities	Brickwork Ratings	BWR BBB-/Stable	17 th August, 2021	16 August, 2022

46.6 Remuneration of Directors

Detailed information furnished under Notes to Accounts (please refer Note No. 37)

46.7 Management

As provided in Board of Directors' Report.

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

Particulars	Year ended March 31, 2023
Net Profit for the period (before tax)	624.97
Changes in Accounting Policies	Nil

46.9 Revenue Recognition

There is no deferment of revenue recognition.

46.10 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.

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

47. Additional Disclosures**47.1 Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2023	As at March 31, 2022
1. Provisions for depreciation on investment	-	-
2. Provision made towards Income tax	253.46	188.90
3. Provision towards NPA	55.05	40.37
4. Provision for Standard assets (with details like teaser loan, CRE, CRE-RH etc.)	93.88	52.38
5. Provision for Sub-standard assets	31.43	25.25
6. Provision for Doubtful assets	12.24	3.74
7. Provision for Loss Assets*	11.38	11.38
8. Provision for Employee Benefits	31.67	13.33
9. Other Provision and Contingencies (with details)	-	-

* Loss Assets due to identified as fraud during the FY 21-22.

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

Break up of Loan & Advances and Provisions thereon	As at March 31, 20223		As at March 31, 20212	
	Housing Loan	Non- Housing Loan	Housing Loan	Non- Housing Loan
Standard Assets				
a) Total Outstanding Amount	14,496.14	10,343.97	8,438.16	6,025.66
b) Provisions made	50.21	43.67	26.38	26.00
Sub-Standard Assets				
a) Total Outstanding Amount	174.99	22.15	99.86	61.81
b) Provisions made	27.88	3.55	15.70	9.55
Doubtful Assets – Category-I				
a) Total Outstanding Amount	15.80	13.54	10.46	4.15
b) Provisions made	4.10	3.56	2.67	1.08
Doubtful Assets – Category-II				
a) Total Outstanding Amount	11.00	0.30	-	-
b) Provisions made	4.46	0.12	-	-
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

47.1.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.

47.1.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, 2022	Provisions made during the year	Provisions adjusted/ Reversed	Closing Balance As at March 31, 2023
Taxation (Current Tax)	188.90	253.46	188.90	253.46
Standard Assets	52.38	93.88	52.38	93.88
Sub-Standard Asset	25.25	58.27	52.09	31.43
Doubtful Asset	3.74	9.43	0.93	12.24
Loss Asset	11.38	-	-	11.38
Employee Benefits	13.33	18.33	-	31.66

47.2 Draw Down from Reserves

Company has not drawn any amount from reserves.

47.3 Concentration of Public Deposits, Advances, Exposures and NPAs**47.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)**

Particulars	As at March 31, 2023	As at March 31, 2022
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

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

47.3.2 Concentration of Loans & Advances

Particulars	As at March 31, 2023	As at March 31, 2022
Total loans & advances to twenty largest borrowers	587.08	797.85
Percentage of loans & advances of twenty largest borrowers to total advances of the HFC	2.34%	5.48%

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.

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

Particulars	As at March 31, 20223	As at March 31, 2022
Total exposure to twenty largest borrowers/customers	587.08	797.85
Percentage of exposures of twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	2.25%	5.18%

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

47.3.4 Concentration of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to top ten NPA accounts	122.16	95.78
Total exposure to NPA accounts	249.16	187.64

47.3.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2023	As at March 31, 2022
A. Housing Loans:		
1. Individuals	1.47%	1.42%
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
B. Non-Housing Loans:		
Loan Against Property		
1. Individuals	2.08%	1.51%
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
Loan Against Shares		
1. Individuals	Nil	Nil
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
Loan Against Collateral of Gold Jewellery		
1. Individuals	0.00%	0.89%
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil

47.4 Movement of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Net NPAs to Net Advances (%)	0.78%	1.01%
(II) Movement of NPAs (Gross)		
a) Opening balance	187.64	64.64

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
b) Additions during the year	430.31	328.21
c) Reductions during the year	368.80	205.21
d) Closing balance	249.16	187.64
(III) Movement of Net NPAs		
a) Opening balance	147.27	44.96
b) Additions during the year	362.62	278.10
c) Reductions during the year	315.78	175.79
d) Closing balance	194.11	147.27
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	40.37	19.68
b) Provisions made during the year	67.69	50.11
c) Write-off/write-back of excess provisions	53.02	29.42
d) Closing balance	55.05	40.37

47.5 Overseas Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Overseas Assets	-	-

47.6 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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Loan Outstanding against Collateral of Gold Jewellery	8,596.83	3,705.51
Gross Total Loans Outstanding	25,089.27	14,651.46
Percentage of outstanding loans granted against the collateral gold jewellery to outstanding total assets	34.26%	25.29%

48. Disclosure of Complaints

Customers Complaints

(In Numbers)

Particulars	As at March 31, 2023	As at March 31, 2022
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	4	1
c) No. of complaints redressed during the year	3	1
d) No. of complaints pending at the end of the year	1	-

49. Fraud Cases

49.1

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	Outstanding Amount	No.	Outstanding Amount
Opening Loans Account detected as Fraud	1	11.38	1	11.38
Additional Loan Accounts detected as Fraud during the Year	1	9.30	-	-
Amount Recovered during the year	-	1.60	-	-
Loan Accounts Written Off During The Year*	-	-	-	-
Closing Loans Account detected as Fraud	2	19.08	1	11.38
Provision Created		11.38		11.38

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023**51. Disclosure in pursuant to Guidelines for Entry of Housing Finance Companies into Insurance Business:**

50.1 The Company is not engaged in the business of Insurance Agency.

51. During the year :

51.1 The company has taken an unsecured loan from a Non- Banking Financial Company which is repayable on demand.

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

51.3 No change in any accounting policy.

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

51.5 There was no withdrawal from Reserve fund.

51.6 Company has not accepted public deposits.

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

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

53. 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.

54. 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.

55. 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.

56. 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.

57. The Additional Regulatory Information, to the extent not applicable on the Company, has not been reported.

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

FOR AJAY RATTAN & CO.

Chartered Accountants

Firm Regn. No. 012063N

Varun Garg

Partner

Membership No. 523588

New Delhi, the 29 day of May, 2023

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

Prerna Matta Arora

CFO

PAN: BAMP7263C

Vijay Kr. Dwivedi

Company Secretary

PAN: BRGPD6317M

IFL HOUSING FINANCE LIMITED

CIN- U65910DL2015PLC285284

Regd. Office- D-16, 1stFloor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

E-mail Id- info@iflhousingfinance.com Website- www.iflhousingfinance.com Contact No. 01147096097

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65910DL2015PLC285284
 Name of the Company : IFL Housing Finance Limited
 Registered Office : D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi 110085.

Name of the member(s):

Registered Address :

Email ID:

Folio No./Client ID :

DP ID :

I/ We being the member(s)holding shares of the above named Company hereby appoint:

1. Name :
Address :

Email ID :
Or failing him
2. Name :
Address :

Email ID :
Or failing him

3. **Name** :
Address :

Email ID :
Or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 8th Annual General Meeting of the Company to be held on Tuesday, 20th June, 2023 at 10:30 a.m. at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi 110085 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.	RESOLUTIONS
Ordinary Business	
1.	To receive, consider and adopt the financial statements of the company for the financial year ended March 31, 2023 including Audited Balance Sheet as on March 31, 2023, Cash Flow Statement and the Statement of Profit and Loss, for the financial year ended on March 31, 2023, along with the reports of the Board of Directors('the Board') and the Auditors thereon.
2.	To appoint a Director in place of Mr. Gopal Bansal (DIN: 01246420), who retires by rotation and, being eligible, offers himself for re-appointment.
3.	Re-appointment of Statutory Auditor's of the Company.

Signed this.....Day of. 2023

Affix
Rs. 1/-
Revenue
Stamp

Signature of the member.....

Signature of the Proxy holder(s) (1)..... (2)(3)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

IFL HOUSING FINANCE LIMITED**CIN- U65910DL2015PLC285284****Regd. Office- D-16, 1stFloor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085****E-mail Id- info@iflhousingfinance.com Website- www.iflhousingfinance.com Contact No. 01147096097****ATTENDANCE SLIP**

Full name and address of the Shareholder/Proxy Holder (in block letters)	
Joint Holder 1(in block letters)	
Joint Holder 2(in block letters)	
Folio No./DP ID*/Client ID*:	
No. of Shares Held	
I hereby certify that I am a member/proxy for the member of the Company.	
Signature of Shareholder/Proxy	

I/we hereby record my presence at the Fifth Annual General Meeting of the Shareholders of IFL Housing Finance Limited held on Tuesday, 20th June, 2023 at 10:30 a.m. at **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.**

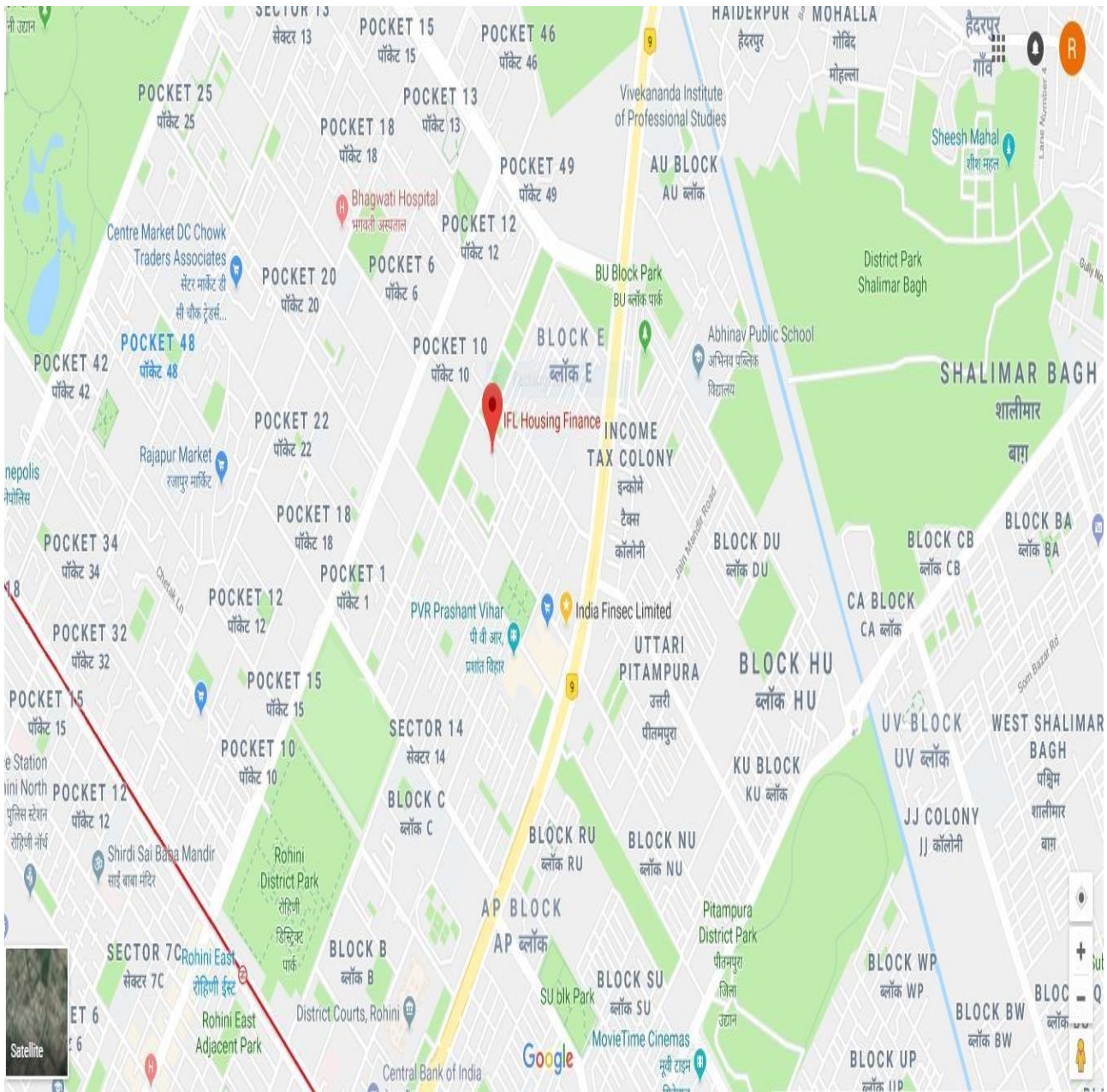
Note: Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the premise. Shareholders are also requested to bring their copy of annual report. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting.

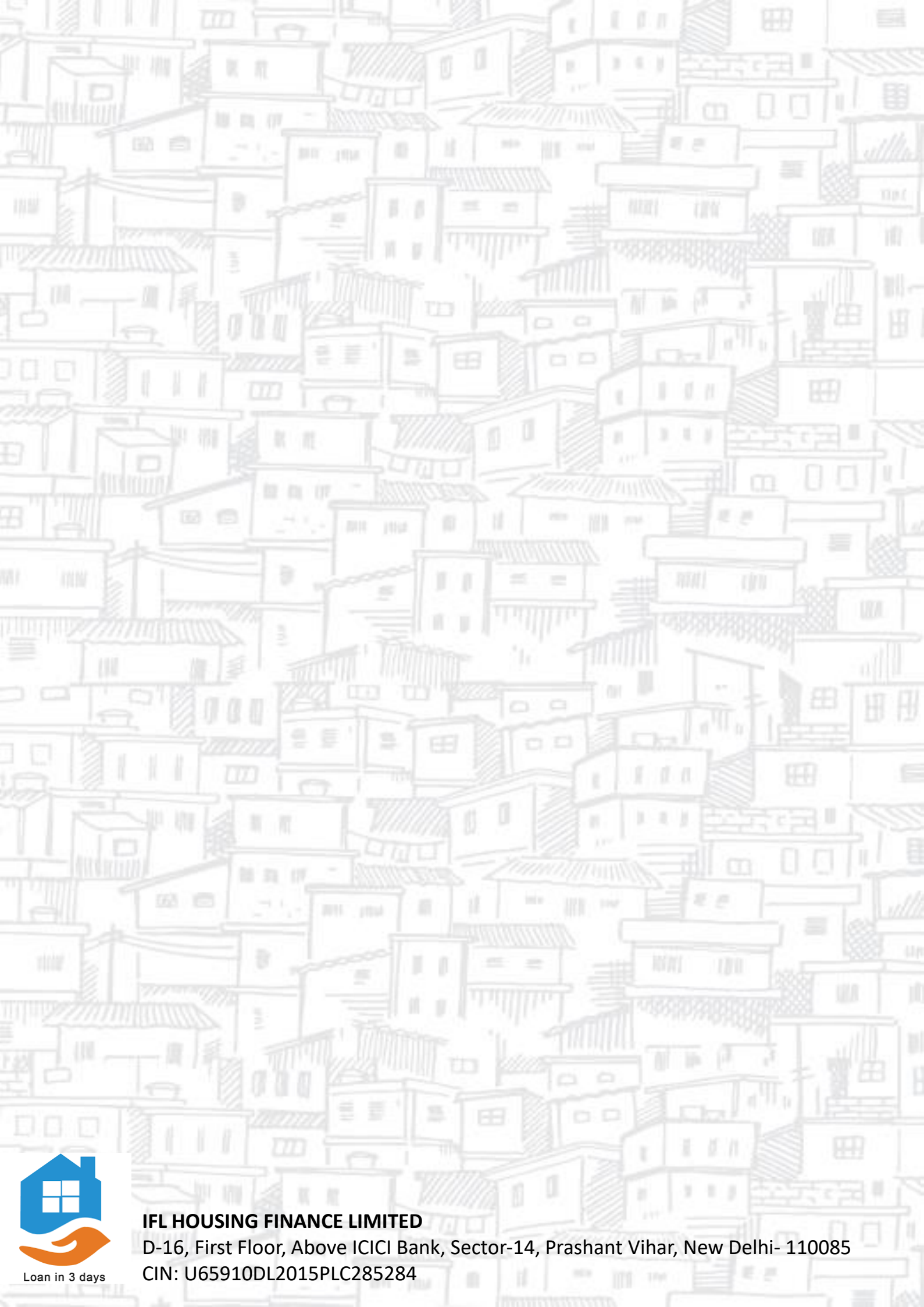
*Applicable for shareholders holding shares in electronic form.

ROUTE MAP TO THE VENUE OF AGM

Name of the Company
Registered Office

: IFL Housing Finance Limited Registered
: D-16, First Floor, Above ICICI bank, Prashant
Vihar, Sector-14, Rohini, New Delhi-110085.





IFL HOUSING FINANCE LIMITED

D-16, First Floor, Above ICICI Bank, Sector-14, Prashant Vihar, New Delhi- 110085

CIN: U65910DL2015PLC285284

Loan in 3 days