



Loan in 3 days

**6<sup>th</sup> Annual Report**  
**2020-21**

IFL Housing Finance Limited

**BUILD FAITH**  
**BUILD HOME**





# INSIDE THE REPORT

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## FINANCIAL STATEMENTS

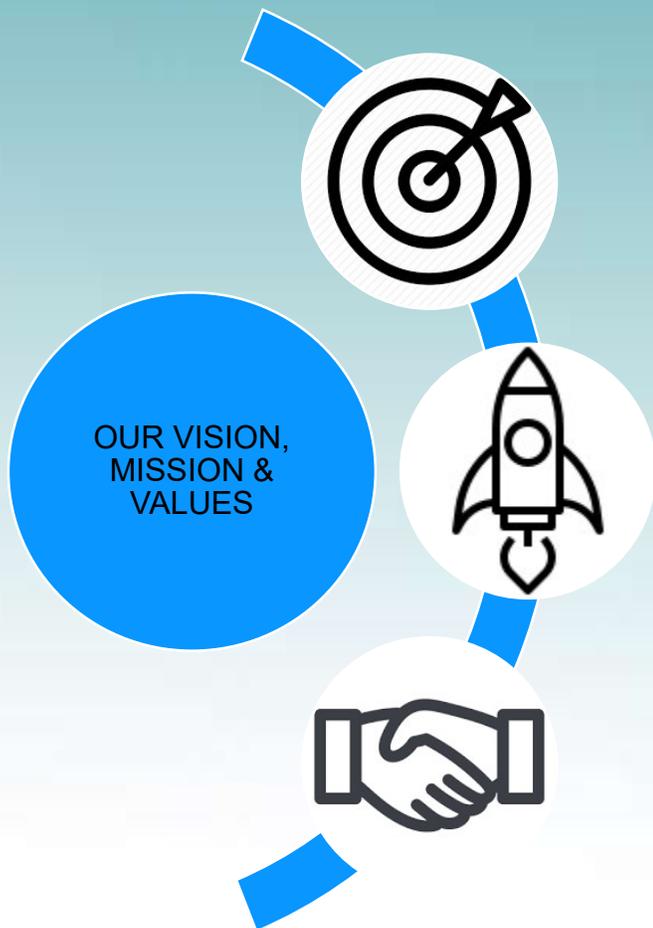
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## ABOUT US

Your 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 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.



### OUR VISION:

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

### 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 VALUES:

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

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

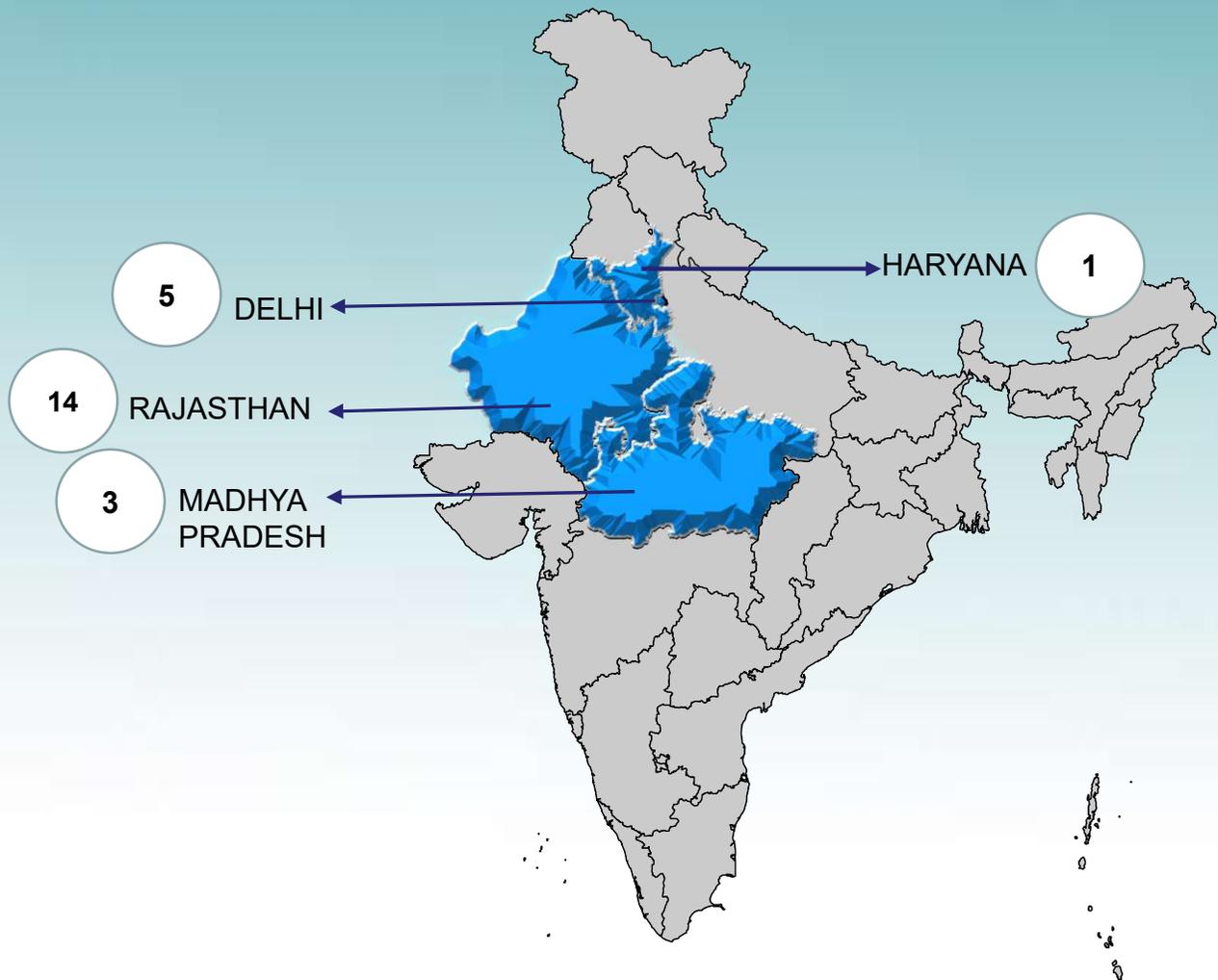
**L**ONG TERM RELATION: Long term relationship with its customers as well as its employees, with regular effort to support customers on easy go basis and keep on making changes to an existing product, idea, employee benefits, etc.

## ABOUT US

### OUR PRESENCE

HEAD OFFICE IN DELHI

OPERATED IN 22 BRANCHES ACROSS 3 STATES AND 1 UNION TERRITORY INCLUDING DELHI, RAJASTHAN, HARYANA AND MADHYA PRADESH



## ABOUT US

### HOUSING LOAN



#### PRODUCT WE OFFER

Your Company's product line is segregated into two major products: Housing Loan and Non- Housing Loan.

- **Housing loan** can be availed for purchase and/or construction of new unit, purchase of old unit, repair and renovation.
- **Non- Housing Loan**
  - **Loan Against Property** offers Mortgage property loan/Loan against Property (LAP) offering comprising loans against residential/commercial property for business or other purposes.
  - **Gold Loan** offers loan against the collateral of Gold Jewellery.

Within only 39 months of its operations, the Company has helped the segment of underserved customer.

The major section of IFLHFL's customers belong to low and middle income group — self employed people owning small or medium businesses with informal source of income and limited access to formal banking credit.

By virtue of its knowledge and understanding of the target group of customers, the Company has been able to create opportunities for them to improve their lifestyle and build long-term assets and wealth. This way, the Company's success goes beyond financial growth and lies in making a positive impact in the society it caters to.

### NON- HOUSING LOAN

#### LOAN AGAINST PROPERTY



### GOLD LOAN



## ABOUT US



## ABOUT US

IFL FOCUS- Provide home loan to people in rural areas not having formal income.



*Managing Director's Message*

**“Despite of such a challenging time, the company was able to step upwards with zero retrenchment.”**

**Dear Shareholders,**

Trust you all are safe and in good health. The COVID-19 pandemic impacted the economy, businesses and various sectors worldwide. We are still operating in an unpredictable situation with recurring waves of the pandemic impacting lives around us. The overall business environment remained effected during the year with demand slackening in almost all sectors.

It gives me immense pleasure to write as the Chairman and Managing Director of your Company, and present the 6<sup>th</sup> Annual Report and Financial statements of **IFL Housing Finance Limited (IFLHFL)** for the financial year ended March 31, 2021. Thank you for your presence here today, and for your continued support to the success of our company.

IFLHFL is no stranger to adversities. In fact, an event of such scale and impact puts to test the fundamental strengths of any organization. Despite of so many constraints faced by the world due to COVID-19, your Company demonstrated once again, in FY 2020-21, its ability to withstand challenges and quickly adapt to the emerging realities.

At IFLHFL, we responded proactively to the situation and ensure continuity of the business, parallel to the taking care of health of our Human Assets. We allowed our employees to work from home during the extreme situations of pandemic waves, making use of our technology platforms.

IFLHFL employees are working relentlessly across the three States and one Union territory of India to support aspiring homeowners through these uncertain times,

providing appropriate funding to those in need and extending support to help them pass-through the pandemic (COVID-19) storm.

Your Company is actively implementing Government-backed initiatives regarding moratorium period on loan repayments of 6 months for the period March 2020 to August 2020.

The RBI has also taken steps to infuse liquidity into the system via targeted long term repo operations (TLTROs), which could increase the available liquidity. The Rs. 50,000 crores of additional TLTROs announced on April 17, 2020 and the additional Rs. 30,000 crores of Liquidity Infusion Facility (LIFT), Rs. 10,000 crores of Special refinance Facility (SRF), refinance facility to National Housing Bank (NHB) will support the immediate liquidity requirements of HFCs to some extent, especially those operating in the affordable housing space where collections are likely to be impacted more.

As you are aware, the FY 2020-21 was very challenging on account of certain macro issues and major events namely:

➤ The Indian economy moved upwards to 7.30% in 2020-2021, compared to 4.20% in the previous year. The combined expenditure of Central and State Governments exceeded revenue, translating in to a great level of public debt-GDP-ratio.

➤ Despite these major adversaries and unprecedented challenges, your company continued its focus to build strong fundamentals around its customers, products, people, technology, geographical reach, risk management and liquidity.

**SOME OF THE KEY INITIATIVES UNDERTAKEN DURING THE YEAR INCLUDE:**

- Significant increase in its tangible Net Worth due to allotment of additional 45,45,000 equity shares, having face value of Rs. 10 each, under right issue at a premium of Re 1 per share amounting to Rs. 4.99 Cr. (including premium), which has taken the Shareholders funds in your company from Rs. 49.92 Cr. in March 2020 to Rs. 54.47 Cr. as of March 2021 along with profit of Rs. 4.93 Crores during F.Y. 2020-21 leading to tangible net worth from Rs. 54.58 Cr. in March 2020 to Rs. 64.13 Cr. as on March 2021.
- Addition of 5 new branches to further enhance the distribution reach to 22 branches apart from Head Office in Delhi.
- Increase the manpower strength by another 40 staff, largely feet on street at the new branches resulting in total staff of over 177.
- Investment in technology, hardware / software and networking infrastructure to enhance customer experience, improved productivity, and overall risk management including business continuity.

Continued sharp focus on core business and customers, supported by the above initiatives resulted in one of the best performance of IFLHFL in terms of substantial business growth, high productivity, low credit loss and commendable ROA and ROE even in a very challenging year, 2020-21.

**KEY PERFORMANCE PARAMETERS:**

- The Gross AUM has grown to Rs. 88.15 Cr., growth of 11.53% YOY. The quality of portfolio remains as one of the best in the industry with a low GNPA of 0.73%.
- Active customer accounts going up to over 2045, YOY increase of 92.56 %
- No. of Loans to whom fresh Disbursements is being made during the year are 1147, YOY increase of 89.27%
- Gross Turnover of the Company has gone up to Rs. 17.18 Cr., YOY increase of 13.22%.
- Profit after tax has gone up to Rs. 4.93 Cr., YOY increase of 21.85%.
- The profitability matrix in terms of Interest spread, ROA and ROE remains one of the best in the industry.
- Infusion of additional equity capital of Rs. 4.54 Cr along with premium of Rs. 0.45 ensured best ALM and strong cash liquidity of Rs. 19.14 Cr (including Cash, Bank, Investment in Debt-oriented Mutual Funds and unencumbered Fixed Deposits with Bank) as of March 2021, to face the uncertainty caused by COVID-19.

- Ensured sound business continuity, customer service, health of our staff and support to the community, to face the COVID-19 pandemic.

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 this focus has enabled us to cater to home financing and other financing needs of more than 2400 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 95.40% retail portfolio with best in class asset quality consistently for years. IFLHFL believes in the social impact of its business in terms of better life style, enhanced 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.

With less than four years of experience in Housing Finance, understanding of our customer needs and the way this business is done backed firmly by our passion, energy and entrepreneurship, has made us to emerge as a strong, reliable and resilient housing finance provider and we are certain that this dreaded COVID-19 pandemic will also pass.

Before I conclude, I would also like to take this opportunity to thank all our employees, customers and stakeholders that work and support and whose contribution has helped us to make and achieve the set targets of the company further 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](#)

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Gopal Bansal  
Chairman and Managing Director

Mrs. Sunita Bansal  
Executive Director

Mrs. Purva Mangal\*  
Non- Executive Non Independent Director

Mr. Arvinder Singh#  
Independent Director

Mr. Saurabh Chhabra#  
Independent Director

Mrs. Charu Bansal##  
Independent Director

Mr. Amit Kumar Agarwal###  
Independent Director

Mr. Ramesh Bansal\*\*  
Independent Director

Mr. Devi Dass Agarwal###  
Independent Director

Mr. Ashish Bansal###  
Executive Director

Ms. Kriti Suri###  
Executive Director

## KEY OFFICIALS

**Chief Financial Officer & KMP**  
Mrs. Purna Matta Arora

**Company Secretary, Compliance Officer & KMP**  
Mr. Vijay Kumar Dwivedi

**Principal Officer**  
Ms. Gunjan Jain

**Regional Credit Manager**  
Mr. Nishant Jaiswal

**Grievance Redressal Officer**  
Mrs. Rekha Behl

## OUR AUDITORS

**Statutory Auditors** -  
M/s Ajay Rattan & Co., Chartered Accountants  
1113, 11<sup>th</sup> Floor, Arunachal Building, Barakhamba Road, New Delhi-110001

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

**Secretarial Auditors** -  
M/s VMS & Co., Company Secretaries,  
K-2/7, Ground Floor Model Town- II. Delhi- 110009

## REGISTRARS &amp; 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](http://www.skylinerta.com)

## ANNUAL GENERAL MEETING

4:30 P.M., THURSDAY, SEPTEMBER 30<sup>TH</sup>, 2021

**ADDRESS:** D-16, 1st Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, Delhi-110085.

**NOTE:** Members are requested to bring their copy of the Annual Report to the meeting.

## AUDIT COMMITTEE

Mr. Arvinder Singh#-Chairman

Mr. Amit Kumar Agarwal##-(Chairman)

Mr. Gopal Bansal

Ms. Charu Bansal##

Mr. Ramesh Bansal\*\*

Mr. Saurabh Chhabra#

## NOMINATION &amp; REMUNERATION

Mr. Arvinder Singh#-Chairman

Mr. Ramesh Bansal\*\*

Mr. Devi Dass Agarwal\*\*\*

Mr. Amit Kumar Agarwal##- (Chairman)

Mrs. Purva Mangal\*

Mr. Saurabh Chhabra#

Mrs. Charu Bansal##

## RISK MANAGEMENT

Mr. Gopal Bansal-Chairman

Mr. Arvinder Singh#

Mr. Saurabh Chhabra#

Mrs. Purva Mangal\*

Mr. Jaspreet Kaur Nagi@

Mr. Amit Kumar Aggarwal##

Mr. Ashish Bansal@@

Mr. Rajeev Mehra@@

Mr. Purna Matta Arora@@

Ms. Gunjan Jain Jindal

Mr. Vijay Kumar Dwivedi@@

Mr. Nishant Jaiswal@@

Mr. Dheeraj Gupta\$

## ASSEST LIABILITY MANAGEMENT

Mr. Gopal Bansal-Chairman

Mr. Rajeev Mehra\$\$

Ms. Purna Matta Arora

Mr. Vijay Kumar Dwivedi\$\$

Ms. Gunjan Jain Jindal

Ms. Jaspreet Kaur Negi@

Mr. Dheeraj Gupta&

## OUR LENDERS AND BANKERS

National Housing Bank

State Bank of India

AU Small Finance Bank

ICICI Bank

Hinduja Housing Finance Limited

Mas Financial Services Limited

Mas Rural Housing & Mortgage Finance Ltd

## OTHER CORPORATE INFORMATION

CIN: U65910DL2015PLC285284  
Registered Office : D-16, 1<sup>st</sup> Floor, Above ICICI Bank, Sector-14, Prashant Vihar, New Delhi- 110085

Tel: +91 11 47096097

E-mail: [info@iflhousingfinance.com](mailto:info@iflhousingfinance.com)

Website: [www.iflhousingfinance.com](http://www.iflhousingfinance.com)

## 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 12<sup>th</sup> 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



22

No of Branches Apart  
from one HO

As on March 31, 2021, the Company had a total of 22 branches across 4 states - 14 branches in Rajasthan, 3 in Madhya Pradesh, 1 in Haryana and 4 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.

## DISBURSEMENT

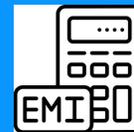


Rs. 33.29 Cr  
FY 2020-21

Your Company has adopted centralized process where documents from all the branches are send to Head Office in Delhi. Documents includes Loan Agreement, Original Property Papers, NACH Form, Registered Mortgage, Security Cheques, Vernacular, Memorandum of Undertaking, Affidavit regarding Deposit of Title Deed, etc. which are duly verified at Head Office before disbursement of Loan from Head Office Only.

Despite of worsen situation during pandemic, the company was able to meet the disbursement of Rs. 33.29 Crores In the FY 2020-21.

## COLLECTION AND RECOVERY PROCESS



96.69%

Average Monthly Collection Efficiency Ratio

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.

## Non- Performing Assets



Gross NPA is 0.73% (PY 1.08%)  
NNPA is 0.51% (PY 0.87%)

The borrower who fails to make timely payment, misses the payment, avoids or stops making payment due to any reason results in default.

In an event, the default persists for more than the 90-day mark past the due date, the loan is classified as non-performing asset (NPA) as defined by the RBI.

As on March 31, 2021, the Company's NNPA reduced to 0.73% as compared to 1.08% as on March 31, 2020.

Your company is having good underwriting norms and providing loan at LTV less than 70%, which enables it to maintain robust asset quality.

Another key factor in keeping a tight control on NPAs is the efficient and accurate customer screening process.

The Company has a robust track record of low NPAs with bare minimum write-offs historically, as most of the customers eventually repay the loan.

## FUNDING SOURCES



**OUTSTANDING**  
EQUITY Rs. 54.47 Cr (PY Rs. 49.92 Cr.)  
BORROWINGS Rs. 45.98 Cr (PY Rs. 35.80 Cr.)

The Company allotted 45,45,000 equity shares of Rs. 10 each at a premium of Re. 1 per share pursuant to the scheme of right issue during the current financial year.

The company had passed Special Resolution u/s 180(1)(c) and other provisions, if any of Companies Act, 2013 to borrow money from Company's Bankers or any other financial institutions, persons or company as may be deemed fit by Board of Directors for aggregate amount not exceeding Rs. 200 Crores. Taking care of the maximum borrowing limit, the company has raised Rs. 17 Crores from National Housing Bank and 5 crores from Hinduja Housing Finance Limited. Having total secured borrowings of Rs. 45.98 Crores at the year end (Previous Year Rs. 35.80 Crores).

The company is always regular in paying all its debts with no single time default. The company has not availed moratorium on any of its liabilities, however only SBI as per its norms has provided moratorium to the company on term loan of Rs. 25 Crores.

## OPERATIONAL HIGHLIGHTS

As on March 31, 2021, the total loan portfolio or Assets under Management (AUM) grew 11.53% to Rs. 88.15 cr from Rs. 79.04 cr in the FY20.

Loans sanctioned step down by 6.85% to 33.84 cr in FY21 from Rs. 36.33 cr in FY20.

Loans disbursements step down by 1.83% to Rs. 33.29 cr in FY21 from Rs. 33.91 cr in FY20.

The Company exhibited resilience with sustained growth during FY21 which presented a sea of disruptions due to COVID-19 pandemic with increase in PAT by 21.85% to 4.93 Cr in FY21 from 4.04 Cr in FY20.

For FY21, the Company's average tenure of loans was 6.93 years and average Loan to Value (LTV) ratio on the AUM stood at about 41.48% supported by strong standards of credit underwriting, which safeguarded the Company against credit risk.

The company is broadly offering loans against three segments i.e. Housing Loan, Loan Against Property and loan against Collateral of Gold Jewellery.

The company's average lending rate is 18.97% in FY21 as against 17.95% in FY20 calculated on portfolio outstanding.

As against the above mentioned lending rate, the average borrowing cost of 9.25% in FY21 from 10.85% in FY20, calculated on borrowings outstanding at year end, resulting in a strong loan spread even amidst challenging times

The company's NIM is drop down to 11.41% in FY21 from 11.83% in FY20.



Rs. 88.15 Cr  
Gross AUM



11.53%  
Growth in AUM



21.85%  
Growth in PAT



80 Months  
Average Tenure



28.70%  
Average LTV



18.97%  
Weighted Average  
Lending Rate



9.25%  
Average Borrowing  
Cost



11.41%  
NIM

## FINANCIAL REVIEW

Your company's Financial Results are prepared as per Indian Accounting Standards (Ind AS) In FY21.

Total Revenue from all operations grew by 13.22% to Rs. 17.18 Cr from Rs. 15.17 Cr in FY20. Profit Before tax (PBT) grew by 21.59% to Rs. 6.41 Cr in FY21 from Rs. 5.27 Cr in FY20. Profit After Tax (PAT) grew by 21.85% to Rs. 4.93 Cr in FY21 from Rs. 4.04 Cr in FY20. Net Interest Income (NII) grew by 12.74% to Rs. 10.34 Cr in FY21 from Rs. 9.17 Cr in FY20. Net Interest Margin (NIM) on Average Interest Earning Assets dropped to 11.41% in FY21 as compared to 11.83% in FY20.

Although there is a slight decline in NIMs, the Company is amongst the highest NIMs maintaining companies in the industry by far.

CRAR dropped to 103.84% in FY21 from 121.35% in FY20, but the same is still much higher than the statutory minimum requirement of 14% as on 31.03.2021.

### Key Ratios

Ratios	FY21	FY20	% Change
Gross NPA (As % of AUM)	0.73	1.08	(32.41)
Net NPA (As % of AUM)	0.51	0.87	(41.38)
Capital Adequacy Ratio (CRAR) (%)*	103.84	121.35	(14.43)
Tier I (%)	103.16	120.87	(14.65)
Tier II (%)	0.68	0.48	41.67
Return on Average Assets (%)	4.76	4.55	4.56
Return on Average Equity (%)	8.15	7.94	2.73
Debt Equity Ratio (Times)	0.70	0.65	9.00
Net Owned Fund (Rs. In Crores)	64.14	54.58	17.51
Net Profit Margin (%)§	28.69	26.66	7.62
Net Interest Margin (NIM) (%)	11.41	11.83	(3.49)
Total Operating Expenses to NII	0.59	0.60	(1.17)
Cost to income	0.36	0.36	(1.60)
Opex to Avg Asset	0.06	0.06	(4.40)

\* Previous Year CRAR is recalculated taking into consideration 50% weightage to off balance sheet items.

§ Previous Year Net Profit Margin is recalculated after considering Impairment on Financial Instruments (Expected Credit Loss) to reach at PAT.

## CREDIT AND OPERATIONAL STRENGTHS

Your Company's credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early identification of problematic loans using techniques such as early default analysis, product analysis, and probability of default.

### RISK MANAGEMENT

Your Company has a well-defined risk governance structure which includes periodic reviews and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders. IFLHFL has a clearly defined risk management policy that lays down guidelines for all operational areas and has established Risk Management Committee.

Comprehensive annual risk review exercises go towards continually updating the risk management policy. The policy defines role of the Company's Risk Management Committee which oversees all aspects of the business, especially credit underwriting.

Risks are events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization's business objectives.

Key characteristics by which risks will be identified are:

- Risks are adverse consequences of events or changed conditions
- Their occurrence will be identified by the happening of trigger events
- Their occurrence is uncertain and will have different extents of likelihood

Recognizing the kind of risks that IFLHFL will be exposed to, risks will be classified broadly into the following categories:

### A. Credit Risk

Lending involves a number of risks. Credit risk or default risk involves inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions.

The management of credit risk would receive the top management's attention and the process would encompass:

- a) Measurement of risk through credit rating/scoring;
- b) Quantifying the risk through estimating expected loan losses
- c) Controlling the risk through effective Loan Review Mechanism and portfolio management.

## B. Market Risk

Traditionally, credit risk management is the primary challenge for Company. Market risk is the possibility of loss caused by changes in the market variables. It arises from adverse changes in the market variables which, inter alia, include liquidity risk, interest rate risk and commodity price risk.

Market Risk Management: Management of market risk would be the major concern of top management. The Board would clearly articulate market risk management policies, procedures, prudential risk limits, review mechanisms and reporting and auditing systems. To tackle Market Risk the following efforts are taken:

- Transparent and comprehensive policies are framed.
- We fix prudential risk limits for the various categories of loans.
- We monitor the quality of credit portfolio on a monthly basis.
- A robust auditing system is in place.

## C. Interest Rate Risk:

Interest rate risk is the risk where changes in market interest rates might adversely affect an HFC's financial condition.

### RISK IDENTIFICATION:

**EARNING PERSPECTIVE:** The immediate impact of changes in interest rates is on Earnings (i.e. reported profits) by changing its Net Interest Income (NII) and can be measured as changes in the Net Interest Income (NII) or Net Interest Margin (NIM).

**ECONOMIC VALUE PERSPECTIVE:** A long-term impact of changing interest rates is on HFC's Market Value of Equity (MVE) or Net Worth as the economic value of the assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

**RISK MANAGEMENT AND RISK MEASUREMENT:** The operational flexibility given to HFCs in pricing most of the assets and liabilities imply the need for the financial system to hedge the interest rate risk.

The company being in initial phase of ALM System, the traditional Gap analysis is considered to be a suitable

method to measure the interest rate risk.

## D. Liquidity Risk

**RISK PARAMETER:** Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements or the investment needs of the Company.

### RISK IDENTIFICATION:

**LIQUIDITY CRUNCH** : Non- Accessing of Liquidity Risk on timely basis will lead shortage of funds, to meet the Net Outflows.

**BUSINESS LOSS** : Shortage of Funds will be neglecting of perspective business and will lead to moving of customers to competitors. The same will also lead to Reputation Loss.

**INCOME LOSS** : The immediate impact of changes in interest rates is on Earnings (i.e. reported profits).

**RISK MANAGEMENT AND RISK MEASUREMENT:** Measuring and managing liquidity needs are vital for effective operation of IFLHFL. By assuring the company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of an adverse situation developing. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system.

The management of IFLHFL will measure not only its liquidity positions on an ongoing basis (to be reviewed minimum on quarterly basis), but also examine how liquidity requirements are likely to evolve under different assumptions. Therefore, liquidity has to be tracked through maturity or cash flow mismatches making use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool.

## E. Operational Risk

Operational risk is synonymous with settlement or payments risk and business interruption, administrative and legal risks. It arises from human or technical error. Operational risk has some form of link between credit and market risks. An operational problem with a business transaction could trigger a credit or market risk.

## GOVERNMENT AND RBI INITIATIVE AND POLICIES TO AID GROWTH OF HFC SECTOR

Recent policies and other initiatives undertaken by the Government and RBI to improve liquidity and efficiency of the HFC sector:

- The RBI announced liquidity measures aggregating Rs. 13.6 lakh crore (6.9% of nominal GDP for FY21) during February 6, 2020 to March 31, 2021. These measures providing support to HFC sector included open market operations, targeted long-term repo operations (TLTRO 1.0 and 2.0), variable rate repos, long-term repo operations, etc.
- The Honorable Supreme Court of India (Hon'ble SC) in a public interest litigation vide an interim order dated September 3, 2020 directed that accounts which were not declared as non-performing assets (NPA) till August 31, 2020 would not be declared as NPA till further orders. This interim order granted stood vacated on March 23, 2021 based on the judgment of the Hon'ble SC.
- In August 2020, RBI allowed a one-time restructuring (OTR) of loans due to COVID-19 related stress without classifying them as NPA, however, there was no account eligible for OTR.
- As a COVID-19 relief scheme, the Government announced a grant of ex-gratia payment of the difference between compound interest and simple interest for six months to eligible borrowers for the period March 1, 2020 up to August 31, 2020, irrespective of whether the moratorium was availed or not.

The ex-gratia payment by the Government was for certain categories of loans such as housing loans, consumer loans, MSME loans amongst others, which were standard as at February 29, 2020 and the aggregate facilities with all lending institutions did not exceed Rs. 2 crore.

The Company has implemented the scheme and credited the accounts or remitted the amounts to eligible borrowers. Following the Hon'ble SC judgment dated March 23, 2021, RBI in April 2021 instructed lenders to refund/adjust interest on interest charged to all borrowers during the moratorium period i.e. March 1, 2020 to August 31,

2020, irrespective whether the moratorium had been availed or not. The methodology for determining the amount of interest on interest was issued by the Indian Banks' Association.

- The Government launched Rs. 30,000 crore Special Liquidity Scheme for stressed non-banking, housing finance companies and Monetary Financial Institutions (MFI) as part of the Atmanirbhar Bharat package. Under the scheme, the Government provides 100% guarantee for investment made in the investment grade debt paper.
- As part of the Rs. 21 lakh crore special economic package amid the COVID-19 crisis, the Partial Credit Guarantee Scheme (PCGS) 2.0 worth Rs. 45,000 crore for NBFCs and micro finance institutions (MFIs) was announced. Under this scheme, sovereign guarantee of up to 20% of first loss will be provided to state-owned banks for purchase of bonds or commercial papers of NBFCs, MFIs and HFCs.
- In March 2020, the RBI had announced moratorium on repayment of term loans in order to provide relief to borrowers impacted by COVID-19 related disruptions. Initially, the moratorium was allowed till 31<sup>st</sup> May, 2020 but was later extended till 31<sup>st</sup> August, 2020.

On October 22, 2020, the RBI issued the revised regulatory framework for HFCs allowing transition time till March 31, 2024 to the existing registered HFCs to continue the business as HFCs to fulfill the asset-based criteria of:

- (a) minimum percentage of total assets towards housing finance to be 50% by March 31, 2022, 55% by March 31, 2023 and 60% by March 31, 2024, and
  - (b) minimum percentage of total assets towards housing finance for individuals to be 50% by March 31, 2022, 45% by March 31, 2023 and 40% by March 31, 2024.
- HFCs were required to reduce total borrowings to 12x of their Net Owned Funds (NOF) and increase Capital Adequacy Requirement (CAR) to 15% in a phased manner by March 31, 2022. RBI increased the minimum NOF for HFCs to Rs. 20 crore from Rs. 10 crore by March 31, 2023. Source: Press Information Bureau, RBI and ICRA

## CSR INITIATIVE

*As a responsible corporate, we feel it is our duty to support the people in need belonging to the communities in which we operate.*

*Our Corporate Social Responsibility (CSR) activities are focused on establishing sustainable livelihoods for one of the most underprivileged sections of the society- "people suffering from neurological diseases" and also towards the welfare of animals.*

Our key projects are focused in the areas of Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water among others. During the year, we also contributed a total sum of Rs. 5.10 Lakhs towards the Medical, Food and Clothes of the people suffering from neurological disease through the trust Apna Ghar Aashram.



## CSR INITIATIVE

Our key projects are focused in the areas of ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water. During the year, we also contributed a total sum of Rs. 2.50 Lakhs towards the shelter of Animals through the trust Shri Krishna Gaoshala.



\*Out of total expenditure, on CSR Activities, of Rs. 7.60 Lakhs in FY 2020-21, Rs. 2.50 lakhs carried forward to succeeding year for utilization.

## LOOKING BACKWARD TO MOVE FORWARD

### COMMENCEMENT OF BUSINESS

COMPANY OBTAINED LICENCE FROM NATIONAL HOUSING BANK (NHB) LICENCE ON 12TH DECEMBER 2017 COMMENCED OPERATIONS IN JANUARY 2018

### 2017-18

AUM : Rs. 10.20 Cr  
 No of Active Borrowers : 87  
 Cumulative No of Loans Sanctioned : 98  
 Cumulative No of Loans Disbursed : 87

### 2018-19

AUM of Rs. 70.11 Cr  
 No of Active Borrowers : 554  
 Cumulative No of Loans Sanctioned : 606  
 Cumulative No of Loans Disbursed : 584

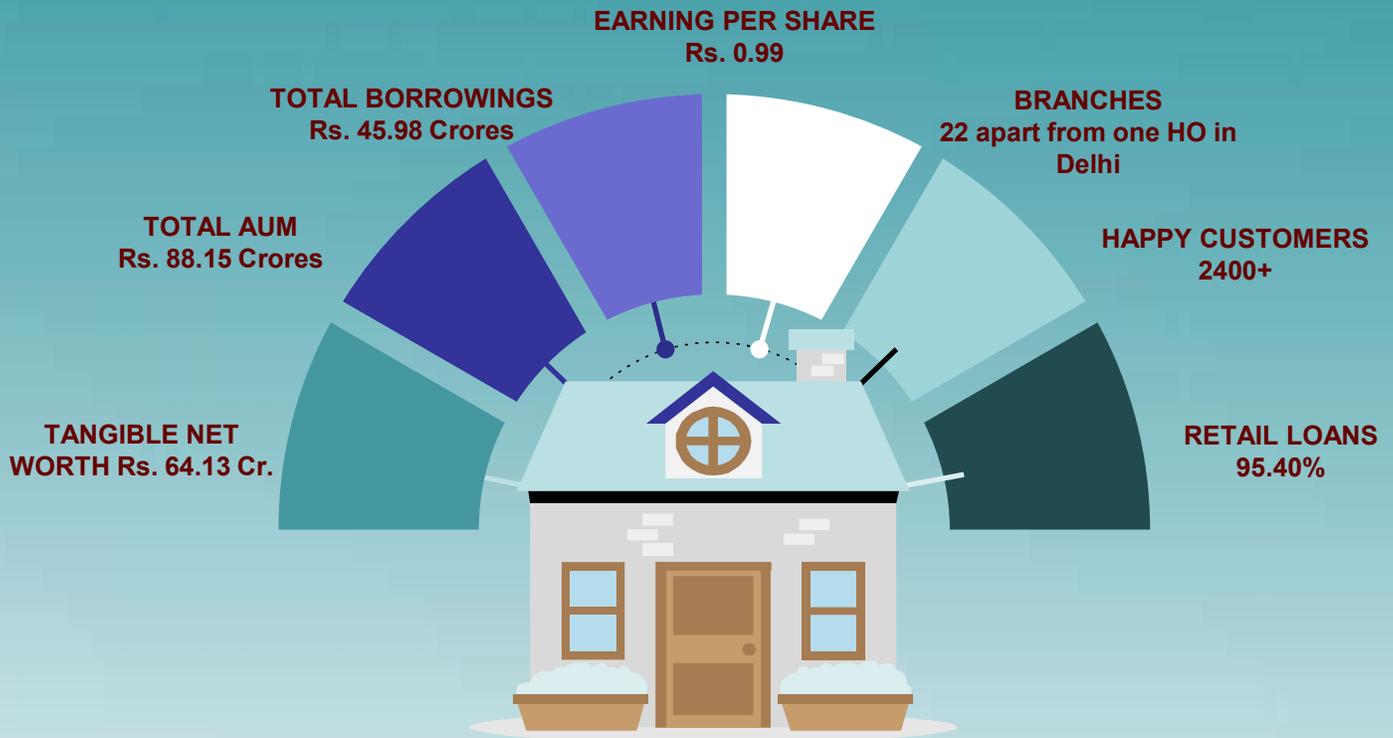
### 2020-21

AUM of Rs. 88.15 Cr  
 No of Active Borrowers : 2045  
 Cumulative No of Loans Sanctioned : 2471  
 Cumulative No of Loans Disbursed : 2337

### 2019-20

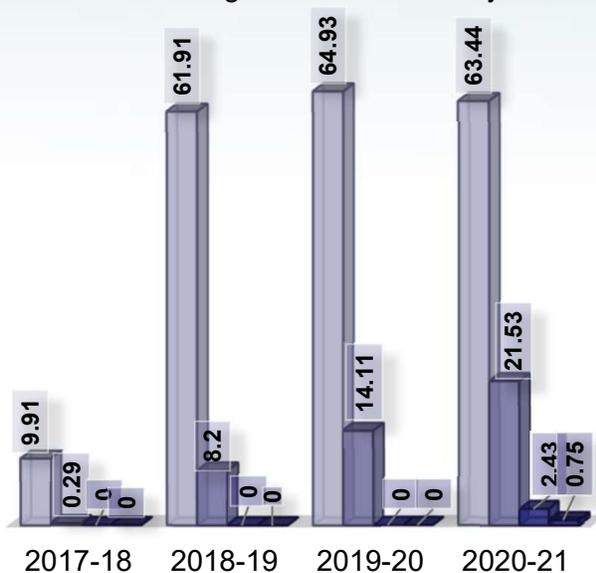
AUM of Rs. 79.04 Cr  
 No of Active Borrowers : 1062  
 Cumulative No of Loans Sanctioned : 1297  
 Cumulative No of Loans Disbursed : 1190

## BUSINESS AT A GLANCE



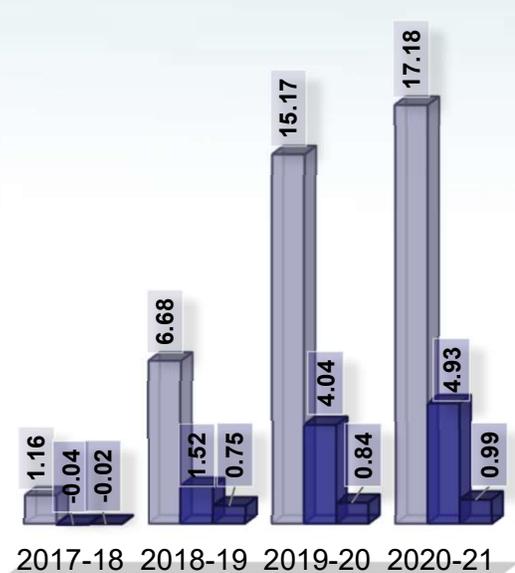
## PORTFOLIO MIX (RS. IN CR.)

- Home Loan
- LAP
- Loan Against Shares
- Loan Against Gold Jewellery



## TURNOVER, PROFIT AFTER TAX (PAT) AND EARNING PER SHARE (EPS)

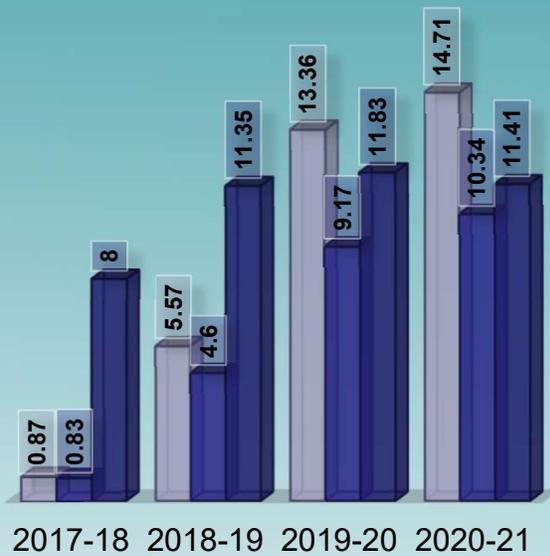
- TURNOVER
- PAT
- EPS



## BUSINESS AT A GLANCE

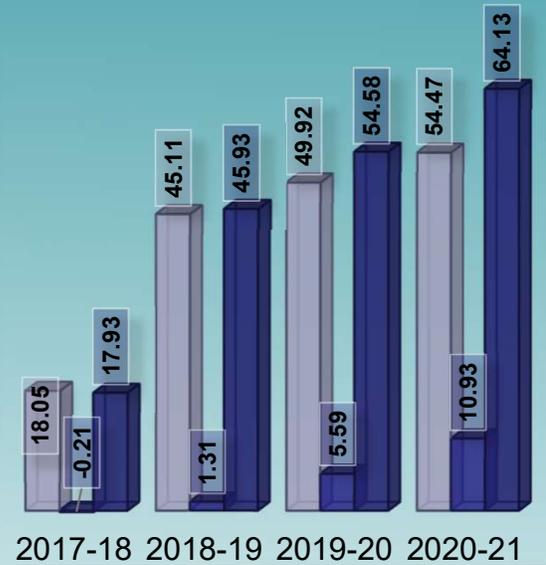
INTEREST INCOME, NET INTEREST INCOME (NII) (CR.) AND MARGIN (%)

Interest Income NII Margin (%)



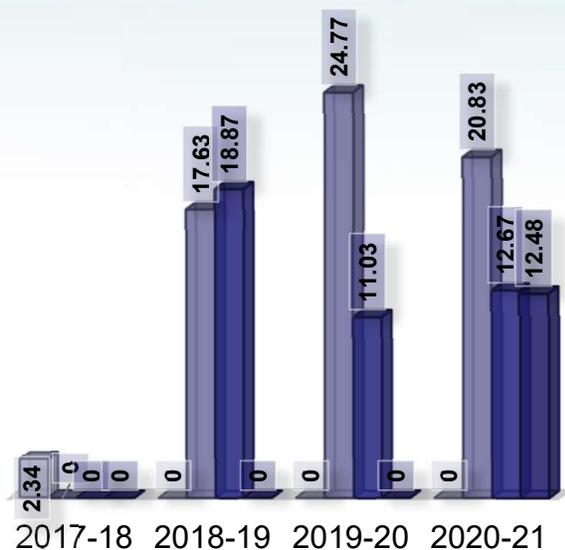
SHAREHOLDER'S FUND (CR.)

Share Capital Reserves Tangible Net Worth



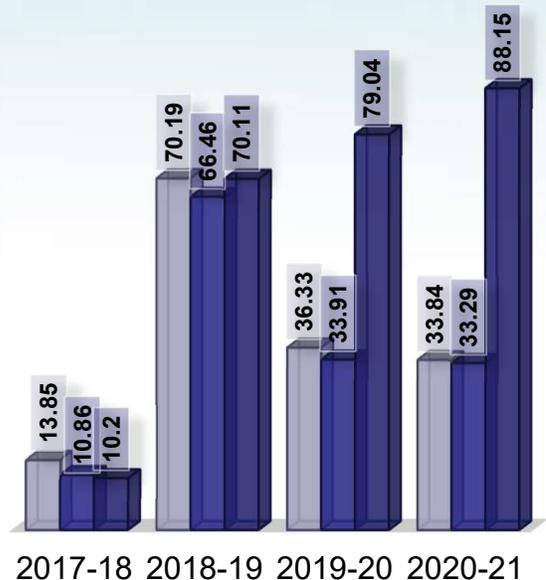
BORROWINGS

Related Parties Banks Other FI NHB



SANCTION, DISBURSEMENT AND OUTSTANDING

Sanction Disbursement Outstanding



YEAR AT A GLANCE

SUPPORT GREEN AND  
GO GREEN

TREE PLANTATION BY  
MANAGING DIRECTOR  
OF YOUR COMPANY.



WOMEN EMPOWERMENT

CELEBRATING WOMEN'S DAY



YEAR AT A GLANCE

HARD WORK IS  
APPRECIATED

EXCELLANCE  
AWARD



LOYALTY IS  
ROYALTY

LONG TERM  
RELATIONSHIP  
AWARD

**YEAR AT A GLANCE**

**SPREAD THE  
KNOWLEDGE  
EASER THE  
WORK**

**INHOUSE  
TRAINING**



**SPREADING THE  
BUSINESS**

**CONTINUOUS  
EXPANSION  
GOING ON.**



YEAR AT A GLANCE

REPUBLIC  
DAY  
CELEBRATION



DIWALI  
CELEBRATION

## CONTRIBUTING TO PRADHAN MANTRI AWAS YOJANA - CREDIT LINKED SUBSIDY SCHEME (PMAY - CLSS)



The Government of India took a major step under 'Housing for All scheme' to ensure that people can own a house within their financial capability.

Pradhan Mantri Awas Yojana (PMAY) Urban was launched with a broad vision of providing 2 crores dwelling units to EWS, LIG & MIG beneficiaries.

The scheme was to be implemented in 20,073 statutory towns/centres as on March, 2020. Under this scheme, Credit Linked Subsidy of Rs. 2.67 Lakhs is to be given EWS/ LIG beneficiaries for a loan amount of Rs. 6 Lakhs & above and Rs. 2.35 to Rs. 2.30 lakhs to MIG I & MIG II beneficiaries for purchase/ construction of houses of specified carpet area.

This PMAY scheme was implemented through 4 verticals:-

- Credit Linked Subsidy Schemes (CLSS) to beneficiaries through Banks/HFCs for loans availed
- Beneficiary lead construction,
- Affordable Housing in partnership
- In Situ Slum development.

The PMAY Rural scheme aims to construct 2.95 Crores houses in rural areas. Hence, these schemes have created huge opportunities for the company to provide housing loans to these beneficiaries as per the above schemes.

Your Company is serving its customers continuously regarding successful availment of subsidy from National Housing Bank under PMAY (urban).

During the year 2020-21, the Company has submitted from time to time the claim for subsidy to NHB under the PMAY scheme.

### THE TOTAL SUBSIDY RECEIVED IS AS UNDER:

#### A. PMAY Claim Received during FY 2020-21

(Amount in Lakhs)

SCHEME CATEGORY	No. of Loans	Subsidy Amount	Processing Fees
EWS/LIG NEW	16	18.95	0.18
MIG I	42	62.65	0.77
MIG II	-	-	-
TOTAL	58	81.60	0.95

#### B. PMAY Claim Received since Inception

(Amount in Lakhs)

SCHEME CATEGORY	No. of Loans	Subsidy Amount	Processing Fees
EWS/LIG NEW	249	432.88	7.17
MIG I	68	108.20	1.29
MIG II	13	22.93	0.26
TOTAL	330	564.01	8.72

The subsidies received during the year 2020-21 were credited to customer accounts and the EMI was accordingly modified to that extent. In certain other cases, the subsidy was refunded as follows:

#### C. PMAY Returned during the FY 2020-21 and since Inception

(Amount in Lakhs)

SCHEME CATEGORY	No. of Loans	Subsidy Amount	Processing Fees
EWS/LIG NEW	2	3.82	0.03
MIG I	3	5.47	0.06
MIG II	-	-	-
TOTAL	5	9.29	0.09

**NOTICE OF ANNUAL GENERAL MEETING****NOTICE**

**Notice** is hereby given that the Sixth Annual General Meeting of **IFL Housing Finance Limited** will be held on Thursday, 30th September, 2021 at 4:30 p.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, 2021 including Audited Balance Sheet as on March 31, 2021, Cash Flow Statement and the Statement of Profit and Loss, for the financial year ended on March 31, 2021, 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."

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

Sd/-

Place: New Delhi  
Date: 07.09.2021

Vijay Kumar Dwivedi  
Company Secretary

## NOTICE OF ANNUAL GENERAL MEETING

### 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).

## NOTICE OF ANNUAL GENERAL MEETING

### Annexure I to the Notice

Additional Information of Director seeking re-appointment at the 6th Annual General Meeting pursuant to Secretarial Standards -on General Meetings.

<b>Name of the Director</b>	<b>Mr. Gopal Bansal</b>
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>Mr. Gopal Bansal is a qualified Chartered Accountant having profound experience of over 18 years in the field of finance, taxation, portfolio management, treasury management, finance product designing, business takeovers, mergers, corporate laws, assets restructuring &amp; assets recovery.</p> <p>He is playing vital role in deciding the strategic direction of the Company to bring the Company's mission into reality. His leadership has been instrumental in leading the core team of our company.</p> <p>He is associated with M/s India Finsec Limited (listed NBFC) as Promotor Director since a decade. Under his management, M/s India Finsec Limited is operating its business with ZERO NPA &amp; a good growth rate.</p> <p>Before joining M/s India Finsec Limited as Managing Director, he was a Practicing Chartered Accountant. He has immense knowledge in the field of taxation, accounts and Company Law.</p>
Name of other Public Companies in which the person holds the Directorships	M/s India Finsec Limited M/s IFL Enterprises Limited
Name of the Public Companies in which the person holds the Memberships of committees of the Board	M/s India Finsec Limited M/s IFL Enterprises Limited
Shareholding in the Company (Equity)	5,388,000 equity shares (10.78% ) as on March 31, 2021
Relationship with other Directors/Manager/Key Managerial Personnel	He is the Spouse of Mrs. Sunita Bansal (Whole Time Director).
Number of Board Meetings attended during the FY 2020-21	Twenty out of Twenty Meeting.

## BOARD'S REPORT

**To,  
The Members,**

Your Directors have pleasure in presenting their Sixth Annual Report on the business and operations of your company together with the Audited Financial Statements for the financial year ended 31st March, 2021.

### COVID-19

#### The "Second Wave"

Since March 21, we have seen the emergence of the "second wave" of the COVID 19 pandemic which has resulted in sharp rise in positive cases across the country. Few of the states have announced various containment measures including lockdowns, night curfews, weekend lockdowns etc. We will keep a close track on the "second wave" and its impact on the economy and the Company's business. Currently, we are quite confident that the Company will be able to come out of this also in a strong manner, similar to what was demonstrated during the initial wave in the first half of FY 2021.

### 1. OVERVIEW & STATE OF THE COMPANY'S AFFAIRS

The financial statements for the financial year ended March 31, 2021, 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. 171,787,748/- as compared to Rs. Rs. 151,724,773/- in the previous year, recording an increase of 13.22%.

Total expenses during the year were Rs. 107,702,346/- as compared to Rs. 99,044,364/- in the previous year, an increase of 8.74%.

As per IND AS, during the year, the Company has made Expected Credit Loss (ECL) provision (on loan assets) of Rs. 2,392,683/- as compared to Rs. 1,908,011/- in the previous year.

The Tangible Net worth of the Company has increased from Rs. 545,826,052/- as on 31st March 2020 to Rs. 641,394,862/- as on 31st March 2021.

### 2. FINANCIAL PERFORMANCE

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

PARTICULARS	CURRENT YEAR (IN RS.)	PREVIOUS YEAR (IN RS.)
Revenue from Operations	171,787,748	151,724,773
Expenses for the period	107,702,346	99,044,364
Profit/(Loss) before tax from continuing Operations	64,054,102	52,680,409
Current Income Tax for the period	(16,229,436)	(13,046,000)
Deferred Tax	1,458,624	810,717
Profit/(Loss) for the period	49,283,290	40,445,126
Transferred to Statutory Reserve under Section 29C of the NHB Act, 1987	10,648,889	7,678,396

### 3. DIVIDEND

In order to Conserve Cash for Company's Operations, your directors do not recommend any dividend for the year under review.

### 4. TRANSFER TO RESERVES

During the year under review, your Company transferred Rs. 10,648,889/- 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 BWR BBB-/Stable from Brickwork Ratings India Pvt Ltd.

## BOARD'S REPORT

### 6. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business.

### 7. 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.

### 8. 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.

### 9. 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.

### 10. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES

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

### 11. 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.

### 12. 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.

### 13. AUDITORS

#### STATUTORY AUDITOR

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, will continue as the Statutory Auditors of the Company, on such terms and conditions as may be decided by the Board.

#### 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 Megha Sharan, Proprietor of M/s VMS & Co., Practicing Company Secretary, was appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2021. The Secretarial Audit Report in Form MR-3 for the financial year 2020-21 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

## BOARD'S REPORT

there under, M/s Mukesh M Gupta & Associates, Chartered Accountants, was appointed as an Internal Auditor on 8th July, 2020 for the financial year 2020-21 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, 2021. 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.

### 14. SHARE CAPITAL

The Authorized share capital of the Company is Rs. 600,000,000/- divided into 6 crores equity shares of face value of Rs. 10 each.

The paid-up share capital of the Company has increased from Rs. 499,230,000 as on 31st March 2020 to Rs. 544,680,000 as on 31st March 2021.

#### 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 STOCK OPTIONS

The Company has not issued employee stock option

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 FY21.

#### F. ISSUE OF BONUS SHARES

The Company has not issued any bonus shares during the FY21.

#### G. ISSUE OF RIGHT SHARES

During the financial year, the Company has issued and allotted 4,545,000 right equity shares as on 25.03.2021.

### 15. 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](http://www.iflhousingfinance.com).

### 16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

#### A. CONSERVATION OF ENERGY

Company is not engaged in any manufacturing or

## BOARD'S REPORT

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 AND OUTGO:

The foreign exchange earnings and outgo are given below:

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Foreign Exchange Earnings	NIL	
Foreign Exchange outgo		

### 17. 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](http://www.iflhousingfinance.com).

### 18. 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 30th March, 2021 without the attendance of non-independent directors and members of management. All independent directors were present in the meeting.

### 19. 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, 2021, the Committee comprises of:

1. Mr. Amit Kumar Agarwal, Chairperson
2. Mrs. Charu 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.

### 20. 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. At the beginning of the year the committee consisted of Mr. Arvinder Singh, Independent Director, as Chairman of the committee and Mr. Saurabh Chhabra, Ms. Purva Mangal, as Members of the Committee. During the FY21 the committee was

## BOARD'S REPORT

reconstituted by the Board due to resignation of Mr. Saurabh Chhabra and Mr. Arvinder Singh w.e.f. 8<sup>th</sup> July, 2020. As at 31st March, 2020, the Committee comprises of:

1. Mr. Amit Kumar Agarwal, Chairperson
2. Mrs. Charu Bansal, Member
3. Mrs. Purva Mangal, Member

### ANNUAL EVALUATION

Every listed company and every other public company having such paid-up share capital as may be prescribed, shall have a manner in which formal annual evaluation required for its committees and individual directors. This provision is not applicable on the company.

### 21. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL 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](http://www.iflhousingfinance.com).

### 22. 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.

### 23. 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.

### 24. PREVENTION OF SEXUAL HARRASMENT OF WOMEN AT WORKPLACE

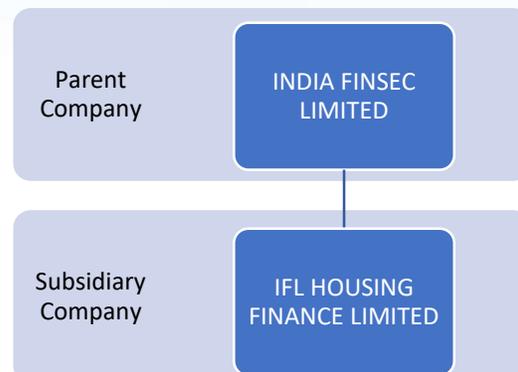
The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace and has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case was reported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

### 25. 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 2020-21, as per the provisions of section 134 (3) (ca), read with section 143 (12) of the Companies Act, 2013 to the regulatory authorities.
- b) Frauds of value involved for Rs. 1 Lakh & above and frauds committed by unscrupulous borrowers, detected. During the FY21, the Company has duly reported 1 fraud case with amount involved of Rs. 11.37 Lakh, as per Circular(s)/ Guidelines, issued by National Housing Bank/ Reserve Bank of India.
- c) 2 loans which were detected in FY20, was found to be unrecoverable by the Board and thus written off during the FY21 amounting to Rs. 35.04 Lakhs.

### 26. GROUP STRUCTURE

Diagrammatic representation of group structure is as under:-



## BOARD'S REPORT

### 27. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31<sup>st</sup> March, 2021, the Board of the Company was duly constituted in accordance with the provisions of the Companies Act 2013.

The Board of Directors and Key managerial Personnel of the Company includes following members:

S. NO.	NAME OF DIRECTOR	DESIGNATION	DIN/PAN	DATE OF APPOINTMENT/ CHANGE IN DESIGNATION
1	Mrs. Sunita Bansal	Whole-Time Director	02801660	28.06.2017
2	Mr. Gopal Bansal	Managing Director	01246420	28.06.2017
3	Mrs. Purva Mangal	Non-executive Director	02816099	26.08.2019
4	Mrs. Charu Bansal#	Independent Director	06632839	08.07.2020
5	Mr. Arvinder Singh*	Independent Director	00172428	27.12.2017
6	Mr. Saurabh Chhabra*	Independent Director	00172495	27.12.2017
7	Mr. Amit Kumar Agarwal#	Non-executive Director	08768575	08.07.2020
8	Mrs. Perna Matta Arora	Chief Financial Officer	BAMPM7236C	09.01.2019
9	Ms. Varsha Bharti @	Company Secretary	AROPB3152H	03.08.2017
10	Mr. Vijay Kumar Dwivedi	Company Secretary	BRGPD6317M	08.07.2020

\*ceased to be Director of the Company w.e.f. 08.07.2020. # Appointed w.e.f. 08.07.2020. @ Resigned w.e.f. 06.05.2020.

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.

## BOARD'S REPORT

### 28. NUMBER OF MEETINGS OF THE BOARD

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

01.04.2020	18.05.2020	27.05.2020	23.06.2020
08.07.2020	20.07.2020	22.08.2020	14.09.2020
28.09.2020	12.10.2020	20.10.2020	17.11.2020
19.11.2020	14.12.2020	21.12.2020	20.01.2021
08.02.2021	05.03.2021	11.03.2021	25.03.2021

### 29. 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, 2021.

### 30. 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.

### 31. 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, 2021, the Risk Management Committee comprises of the following members:

1. Mr. Gopal Bansal- Chairman
2. Mr. Amit Kumar Agarwal -Member
3. Mrs. Gunjan Jain Jindal – Risk Officer
4. Mrs. Purva Mangal-Member
5. Mr. Dheeraj Gupta- Member

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

### 32. 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, 2021, 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, 2021, 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	Mrs. Purna Matta Arora	Member
4	Mr. Vijay Kumar Dwivedi	Member

### 33. 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:

**BOARD'S REPORT**

- (A) in the preparation of the annual accounts for the financial year ended March 31, 2021, 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.

**34. CHANGES AMONG DIRECTORS AND KMP**

During the period under review, Mr. Arvinder Singh and Mr. Saurabh Chhabra, resigned from the post of Independent Director and ceased to be a director of the Company w.e.f. 08.07.2020.

Mr. Amit Kumar Agarwal and Mrs. Charu Bansal, appointed as Independent Director of the Company w.e.f. 08.07.2020.

**KMP**

Ms. Varsha Bharti, resigned from the post of Company Secretary of the Company w.e.f. 06<sup>th</sup> May, 2020. Mr. Vijay Kumar Dwivedi appointed as Company Secretary of the company w.e.f 08<sup>th</sup> July, 2020.

**35. 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.

**36. 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.

**37. CAPITAL ADEQUACY NORMS SPECIFIED UNDER NHB REGULATIONS:**

As required under National Housing Bank/RBI Directions issued, the Company is required to maintain a minimum capital adequacy of 13% on or before 31 March 2020, 14% on or before 31<sup>st</sup> March, 2021 and 15% on or before 31<sup>st</sup> March, 2022, on a stand-alone basis. The Capital Adequacy Ratio (CAR) of the Company was 103.84% as on 31<sup>st</sup> March, 2021.

## BOARD'S REPORT

In addition, the National Housing Bank Directions also requires that your company transfer minimum 20% of its annual profit to a special reserve fund. The Company has duly complied with the regulatory requirement to transfer minimum 20% of its annual profits to a reserve fund.

### 38. 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.

#### 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 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 2020-21, 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 2020-21.

#### 39. PRADHAN MANTRI AWAS YOJANA (PMAY) SCHEME OF NHB:

The Indian Government took a major step under 'Housing for All scheme' to ensure that people can own a house within their financial capability. Pradhan Mantri Awas Yojana (PMAY) Urban was launched with a broad vision of providing 2 crores dwelling units to EWS, LIG & MIG beneficiaries. The scheme was to be implemented in 22,115 statutory towns/centres as on March, 2021. Under this scheme, Credit Linked Subsidy of Rs. 2.67 Lakhs is to be given EWS/ LIG beneficiaries for a loan amount of Rs. 6 Lakhs & above and Rs. 2.35 to Rs. 2.30 lakhs to MIG I & MIG II beneficiaries for purchase/ construction of houses of specified carpet area.

## BOARD'S REPORT

This PMAY scheme was implemented through 4 verticals:-

- (a) Credit Linked Subsidy Schemes (CLSS) to beneficiaries through Banks/HFCs for loans availed,
- (b) Beneficiary lead construction,
- (c) Affordable Housing in partnership and
- (d) In Situ Slum development.

The PMAY Rural scheme aims to construct 2.95 Crores houses in rural areas. Hence, these Schemes have created huge opportunities for the company to provide housing loans to these beneficiaries as per the above schemes.

- (i) PMAY CLSS Subsidy claim and Disbursement Status as on 31st March, 2021

Your Company has also executed MOU for availing benefits under various Schemes of PMAY/CLSS schemes and Rural Subsidy Scheme with National Housing Bank. During the year 2020-21, the Company has submitted from time to time the claim for subsidy to NHB under the PMAY scheme. The total subsidy received is as under:

- ii) PMAY Claim Received during FY 2020-21 (Amount in Rupees )

SCHEME CATEGORY	FINANCIAL YEAR 2020-21	
	NO. OF LOANS	SUBSIDY AMOUNT
EWS/LIG	16	1,895,572
MIG I+II	42	6,264,515

### 40. 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.

### 41. 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.

### 42. 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.

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/pdf/CORPORATE%20GOVERNANCE.pdf>.

### 43. ACKNOWLEDGEMENT

The Board expresses its sincere gratitude to the shareholders, bankers and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

**BOARD'S REPORT****44. 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 directors extend gratitude to health officers, medical personnel, volunteers and government leaders around the world who are working tirelessly to overcome the COVID-19 pandemic.

Your Directors also record their appreciation for the dedicated services of the employees and their contribution to the growth of the Company especially during the difficult times of the pandemic.

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

Place: New Delhi  
Date: 07.09.2021

Gopal Bansal  
Managing Director  
(DIN: 01246420)

Sunita Bansal  
Whole-Time Director  
(DIN: 02801660)



**SECRETARIAL AUDIT REPORT****(Annexure-I)**

**SECRETARIAL AUDIT REPORT**  
**Form No. MR-3**  
**For The Financial Year Ended 31.03.2021**  
**[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  
D-16, First 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 M/s IFL Housing Finance Limited (CIN: U65910DL2015PLC285284) (hereinafter called the company) for the Financial Year ended 31st March, 2021. 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 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 March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s IFL Housing Finance Limited ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the Audit Period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the company during the Audit Period).
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the company during the Audit Period).
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the Audit Period).
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; (Not applicable to the company during the Audit Period).
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period).
  - (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;

## SECRETARIAL AUDIT REPORT

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the Audit Period).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the Audit Period).

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and notified by Central Government.
- (ii) The Listing Agreements [“Listing Regulations as per SEBI (Listing Obligation and Disclosure Requirement) Regulation]: The Company has not entered into any agreements with any Stock Exchange.
- (iii) Housing Finance Companies (NHB) Directions.

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc. mentioned above subject to following observations:

### 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes.

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

We further report that during the audit period, we have observed that:

1. During the Financial Year 2020-21, there has been change in the composition of Board of Directors, i.e. Mr. Amit Kumar Agarwal (DIN: 08768575) and Mrs. Charu Bansal (DIN:06632839) have been appointed as Independent Director of the Company w.e.f. 8th July, 2020.
2. During the Financial Year, 2020-21, The Company has allotted 4,545,000 (Forty Five Lakhs Forty Five Thousand) equity shares (Face Value of Rs.10/- each) at premium of Rs. 1.00/- each to the applicants from whom the Company has received the share application money through direct application or through renounces aggregating to Rs. 49,995,000 (Rupees Four Crores Ninety Nine Lakhs Ninety Five Thousand Only).

For & on behalf of VMS & Co.

Sd/-

Megha Sharan

Company Secretary in Practice

M. No.: F9802

C P No.: 12171

Date: 04.09.2021

Place: New Delhi

UDIN: F009802C000899845

**SECRETARIAL AUDIT REPORT****'Annexure -A'**

To,  
The Members,  
IFL Housing Finance Limited  
D-16, First Floor, Above ICICI Bank,  
Prashant Vihar, Sector-14, Rohini,  
New Delhi-110085

Our 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.
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 & on behalf of VMS & Co.

Sd/-  
Megha Sharan  
Company Secretary in Practice  
M. No.: F9802  
C P No.: 12171

Date: 04.09.2021  
Place: New Delhi  
UDIN: F009802C000899845

## EXTRACT OF ANNUAL REPORT

Annexure –II

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2021**  
**[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.	<b>CIN</b>	U65910DL2015PLC285284
ii.	<b>Registration Date</b>	17/09/2015
iii.	<b>Name of the Company</b>	IFL Housing Finance Limited
iv.	<b>Category/Sub-Category of the Company</b>	Company Limited by shares/ Indian Non-Government Company
v.	<b>Address of the Registered office and contact details</b>	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085
vi.	<b>Whether listed company</b>	No
vii.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Nil

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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	72.91	2(46)

## EXTRACT OF ANNUAL REPORT

## 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 (01.04.2020)				NO. OF SHARES HELD AT THE END OF THE YEAR (31.03.2021)				% CHANGE DURING THE YEAR
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	10,208,020	-	10,208,020	20.45	14,753,020	-	14,753,020	27.09	6.64
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	39,714,980	-	39,714,980	79.55	39,714,980	-	39,714,980	72.91	(6.64)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub- total(A)(1):-	49,923,000	-	49,923,000	100.00	54,468,000	-	54,468,000	100.00	-
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	49,923,000	-	49,923,000	100.00	54,468,000	-	54,468,000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-

## EXTRACT OF ANNUAL REPORT

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01.04.2020)				NO. OF SHARES HELD AT THE END OF THE YEAR (31.03.2021)				% CHANGE DURING THE YEAR
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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)	49,923,000	-	49,923,000	100.00	54,468,000	-	54,468,000	100.00	-

## ii. Category-wise Shareholding

SL. NO	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% CHANGE IN SHAREHOLDING DURING YEAR
		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	39,714,980	79.55	-	39,714,980	72.91	-	(6.64)
2	Mr. Gopal Bansal	5,388,000	10.79	-	5,388,000	9.89	-	(0.90)
3	Mrs. Sunita Bansal	2,940,000	5.89	-	5,667,270	10.40	-	4.51
4	Mr. Gaurav Suri	725,010	1.45	-	-	-	-	(1.45)
5	Mrs. Kriti Suri	755,000	1.51	-	1,480,010	2.72	-	1.21
6	Arvind Kumar Bansal HUF	210,000	0.43	-	209,990	0.39	-	(0.04)
7	Gopal Bansal HUF	190,010	0.38	-	2,007,740	3.69	-	3.31
8	Arvind Kumar Bansal	-	-	-	10	-	-	-
	Total	49,923,000	100.00	-	54,468,000	100.00	-	-

## EXTRACT OF ANNUAL REPORT

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

S. No.		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	
S. No. 1	India Finsec Limited (Promoter)	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	
		At the beginning of the year	39,714,980	79.55	-	-
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	39,714,980	72.91	-	-	
S. No. 2	Mrs. Sunita Bansal (Promoter & Whole- Time Director)	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	
		At the beginning of the year	2,940,000	5.89	-	-
		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 27,27,270 equity shares on right issue basis dated 25.03.2021	4.51	-	-
	At the End of the year	5,667,270	10.40	-	-	
S. No. 3	Mr. Gopal Bansal (Promoter & Managing Director)	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	
		At the beginning of the year	5,388,000	10.79	-	-
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	5,388,000	9.81	-	-	
S. No. 4	Mr. Gaurav Suri (Promoter & Director)	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	
		At the beginning of the year	725,010	1.45	-	-
		Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Due to sudden demise of Lt. Sh. Gaurav Suri, Shares were transmitted to Mrs. Kriti Suri	(1.45)	-	-
	At the End of the year	0	-	-	-	

## EXTRACT OF ANNUAL REPORT

S. No. 5	Mrs. Kriti Suri (Promoter Group)	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
	At the beginning of the year	755,000	1.51	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Increase due to transmission of 725,010 equity shares	1.21	-	-
	At the End of the year	1,480,010	2.72	-	-
S. No. 6	Arvind Kumar Bansal HUF (Promoter Group)	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
	At the beginning of the year	210,000	0.43	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Decrease due to transfer of 10 equity shares	(0.04)	-	-
	At the End of the year	209,990	0.39	-	-
S. No. 7	Gopal Bansal HUF (Promoter Group)	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
	At the beginning of the year	190,010	0.38	-	-
	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 1817730 equity shares on 25.03.2021	3.31	-	-
	At the End of the year	2,007,740	3.69	-	-
S. No. 8	Arvind Kumar Bansal (Promoter Group)	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
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	10 Equity shares transferred from Arvind Kumar Bansal HUF	-	-	-
	At the End of the year	10	-	-	-

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

SL. NO	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		DATE	INCREASE/DECREASE IN SHAREHOLDING	REASON	CUMULATIVE SHAREHOLDING	
		NO. OF SHARES AT THE BEGINNING (01-04-2020/ END OF THE YEAR (31-03-2021))	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1				NIL				

## EXTRACT OF ANNUAL REPORT

## v. Shareholding of Directors and Key Managerial Personnel:

Sl. No 1.	For Each of the Directors and KMP Mr. Gopal Bansal (Managing Director)	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
	At the beginning of the year	5,388,000	10.79	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	(0.90)	-	-
	At the End of the year	5,388,000	9.89	-	-
Sl. No 2.	Mrs. Sunita Bansal (Whole-Time Director)	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
	At the beginning of the year	2,940,000	5.89	-	-
	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 2,727,270 equity shares on right issue basis dated 25.03.2021	4.51	-	-
	At the End of the year	5,667,270	10.40	-	-
Sl. No 3.	Mr. Arvinder Singh ( Independent Director)*	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
	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 4.	Mr. Saurabh Chhabra (Independent Director)*	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
	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	-	-	-	-

## EXTRACT OF ANNUAL REPORT

Sl. No 5.	Ms Purva Mangal (Independent Director)	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
	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 6.	Ms. Charu Bansal (Independent Director)##	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
	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 7.	Mr. Amit Kumar Aggarwal (Independent Director)##	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
	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 8.	Ms. Prerna Matta Arora (CFO)	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
	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	-	-	-	-

## EXTRACT OF ANNUAL REPORT

Sl. No 9.	Ms. Varsha Bharti (Company Secretary)**	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
	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 10.	Mr. Vijay Kumar Dwivedi (Company Secretary)#	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
	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	-	-	-	-

\* Resigned as Director w.e.f. 08.07.2020.

\*\*Resigned as CS w.e.f. 06.05.2020.

#Appointed as CS w.e.f. 08.07.2020.

## Appointed as Director w.e.f. 08.07.2020

## v. INDEBTEDNESS

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

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	358,040,958	-	-	358,040,958
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	395,761	-	-	395,761
Total (i+ii+iii)	358,436,719	-	-	358,436,719
Change in Indebtedness during the financial year				
- Addition	220,000,000	-	-	220,000,000
- Reduction	117,184,500	-	-	117,184,500
Net Change	102,815,500	-	-	102,815,500

## EXTRACT OF ANNUAL REPORT

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the end of the financial year				
i) Principal Amount	459,783,875	-	-	459,783,875
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	1,468,345	-	-	1,468,345
Total (i+ii+iii)	461,252,220	-	-	461,252,220

## vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SL.	PARTICULARS OF REMUNERATION	NAME OF MD/WTD/ MANAGER		TOTAL AMOUNT
		MR. GOPAL BANSAL (MANAGING DIRECTOR)	MRS. SUNITA BANSAL (WHOLE- TIME DIRECTOR)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,500,000	900,000	2,400,000
	(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)	1,500,000	900,000	2,400,000
	Ceiling as per the Act	Within the limit as per Companies Act, 2013		

## B. Remuneration to other directors:

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS	TOTAL AMOUNT
	<u>Independent Directors</u>		
	· Fee for attending board/committee meetings		
	· Commission		
	· Others, please specify		
	Total(1)		
	<u>Other Non-Executive Directors</u>		
	· Fee for attending board/ committee meetings		NIL
	· Commission		
	· Others, please specify		
	Total(2)		
	Total(B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

## EXTRACT OF ANNUAL REPORT

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

SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL				TOTAL
		CEO	COMPANY SECRETARY VARSHA BHARTI*	VIJAY KUMAR DWIVEDI#	CFO PRERNA MATTARORA	
1	Gross salary (a)Salary as per provisions contained in section17(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	-	40,210	433,987	-	474,197
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as% of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total		40,210	433,987	-	474,197

\*Ms. Varsha Bharti resigned from the post of Company Secretary w.e.f . 06.05.2020.

# Mr. Vijay Kumar Dwivedi appointed as Company Secretary w.e.f. 08.07.2020.

## 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: 07.09.2021

Gopal Bansal  
Managing Director  
(DIN: 01246420)

Sunita Bansal  
Whole-Time Director  
(DIN: 02801660)

## FORM AOC-2

## 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	<b>Not Applicable</b>
(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**

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 INR)
Gopal Bansal (HUF)	Rent Paid	Eleven Months	As per Rent Agreement	01.04.2020	862,500
	Share Application Money (18,17,730 equity shares @ FV of Rs. 10 & Premium @ 1.00)		-	25.03.2021	19,995,030
	Advance Given		-	12.03.2020	15,000,000
	Advance received back			12.03.2020	27,500,000
Sunita Bansal	Rent Paid	Eleven Months	As per Rent Agreement	01.04.2020	862,500
	Remuneration		-	20.05.2019	900,000
	Share Application Money (27,27,270 equity shares @ FV of Rs. 10 & Premium @ 1.00)			25.03.2021	29,999,970
	Advance Given			12.03.2020	15,000,000
	Advance received back			12.03.2020	27,500,000

## FORM AOC-2

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 INR)
Gopal Bansal	Remuneration	-	-	06.11.2019	1,500,000
Kirti Suri	Remuneration	-	-	-	900,000
Prerna Matta Arora	Remuneration	-	-	-	-
Vijay Kumar Dwivedi	Remuneration	-	-	-	433,987
India Finsec Limited	-	-	-	-	-

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

Place: New Delhi  
Date: 07.09.2021

Gopal Bansal  
Managing Director  
(DIN: 01246420)

Sunita Bansal  
Whole-Time Director  
(DIN: 02801660)



## POLICY ON RELATED PARTY TRANSACTION

Annexure -IV

### 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.

## POLICY ON RELATED PARTY TRANSACTION

**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:

## POLICY ON RELATED PARTY TRANSACTION

- 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.

## POLICY ON RELATED PARTY TRANSACTION

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

### MACROECONOMIC OUTLOOK

A brief summary of the financial year ended March 31, 2021 and the emerging trends in the economy including the impact of the COVID-19 pandemic, is described below:

FY 2020-21 began on a very cautious note for the economy with country being in lockdown since March 2020. The economic fallout of the lockdown and the challenges posed by the uncertain behaviour of the COVID-19 pandemic was the top problem to solve for Central and state governments. These had an impact on the overall GDP of the country which was facing challenges even before the COVID-19 pandemic.

The GDP growth for FY 2018-19 and FY 2019-20 was 6.15% and 4.2% respectively. As per National Statistical Office estimates released on February 26, 2021, the GDP for FY 2020-21 will see a degrowth of -8% due to the effect of the economic distress caused by the pandemic. A major point to note that from Q3 FY 2020-21 onwards, the economy had started to bounce back and showed a growth rate of 0.4% as compared to a sharp contraction of -24% and -7.5% for the first 2 quarters.

The Union Budget presented in January 2021 had estimated the Indian economy to grow by 10.5% in FY 2021-22. This, however, may be impacted due to the second wave of COVID-19 infections which has led to state-level shutdowns impacting the economic activities and market and consumer sentiments.

We have seen rating agencies revising their GDP estimates downward, e.g.: Moody's in May 2021 has revised the GDP growth rate forecast to 9.6 per cent for 2021 calendar year from its earlier estimate of 13.9 per cent.

### HOUSING FINANCE SECTOR

The real estate and housing finance sector witnessed moderation in growth post the IL&FS crisis in September 2018. However, with proactive measures and various initiatives by Government, Reserve Bank of India (RBI) and National Housing Bank (NHB), the sector has started to gain momentum again.

To ensure safety and soundness of Housing Finance Companies (HFCs), NHB has a robust monitoring system including on-site inspections and off-site surveillance through periodic returns submitted by the HFCs and by way of market intelligence. The combined growth of HFCs and Individual Housing Loan of Banks was 10% in FY20 as compared to 16% in FY19.

HFCs market share of total individual housing loans stood at 33% in FY20 as compared to 26% in FY19. Due to COVID-19 related restrictions on mobility and lockdowns, construction and real estate activities were impacted resulting in slowdown in housing finance.

Given the Covid-19 induced disruptions, the portfolio growth of all HFCs slowed down in FY 2020-21 and cumulative growth for 9-month ended December 31, 2020 stood at 2%. ICRA expects the full year growth for FY 2020-21 to be in the range of 6%-8%.

The Housing Finance industry was badly hit in the first 2 quarters of FY 2020-21 on account of the pandemic. However, the industry has bounced back strongly in the last 2 quarters of FY 2020-21. This was partially on the back of pent-up demand, drop in home prices, rebates given on property tax in some big states like Maharashtra, etc.

## MANAGEMENT DISCUSSION & ANALYSIS

The liquidity provided by NHB and banks helped the industry get over the fears of a liquidity crunch. The moratorium provided to customers posed fresh challenges to the industry players of behaviour of the customer post the moratorium period was completed and the measure to bring back collection efficiencies to pre-COVID levels which existed in January and February 2020. These challenges were higher for companies operating in low income housing finance segment as the customers had suffered a major financial impact on their earnings triggered by the pandemic.

### STEPS AND POLICIES INITIATED BY THE GOVERNMENT AND RBI TO AID GROWTH OF HFC SECTOR

The Government of India and RBI took several measures in FY 2020-21 to ensure availability of sufficient liquidity in the system. Recent policies and other initiatives undertaken by the Government and RBI to improve liquidity and efficiency of the HFC sector:

- Granting of a 3-month moratorium on EMI payments to borrowers in March 2020 which was extended for 3 more months from June to August 2020.
- Availability of credit to banks, Non-Banking Finance Companies (NBFCs), Housing Finance Companies (HFCs) through measures like Targeted Long Term Repo Operation (TLTRO). This has been extended for a further period of 6 months till September 30, 2021.
- The Honorable Supreme Court of India (Hon'ble SC) in a public interest litigation vide an interim order dated September 3, 2020 directed that accounts which were not declared as non-performing assets (NPA) till August 31, 2020 would not be declared as NPA till further orders. This interim order granted stood vacated on March 23, 2021 based on the judgment of the Hon'ble SC.
- As a COVID-19 relief scheme, the Government announced a grant of ex-gratia payment of the difference between compound interest and simple interest for six months to eligible borrowers for the period March 1, 2020 up to August 31, 2020, irrespective of whether the moratorium was availed or not.
- The ex-gratia payment by the Government was for certain categories of loans such as housing loans, consumer loans, MSME loans amongst others, which were standard as at February 29, 2020 and the aggregate facilities with all lending institutions did not exceed Rs. 2 crore.
- Special Refinance Facility of Rs. 75,000 crore was provided to NABARD, SIDBI, NHB, EXIM Bank during the period April-August 2020.

### IFL HOUSING: BUSINESS OVERVIEW

#### PRIMARY FOCUS –SELF EMPLOYED/ CASH SALARIED, LMI FAMILIES:

IFL HOUSING, has kept the focus in providing individual home loans to the underserved Low and Middle Income (LMI) families largely in Tier II and III Cities to buy or construct a home of their own. Majority of the sanctioned customers belong to the LMI /self-employed category and also customers belonging to salaried class in the informal segment who largely earns cash salaries. Typical customer of IFL will be an individual who runs a business of his own like retailers, agents, professionals, traders, shop owners, contractors, service

## MANAGEMENT DISCUSSION & ANALYSIS

centers etc. or an individual who works in an informal set up and earns cash salary. These customers aspire to own a home but are under served by banks /HFCs due to challenges faced in income assessment, repayment capacity. Hence IFL focus is in niche segment of underserved LMI families, by existing financial institutions. Almost all these customers are first time home buyers and mainly reside in the home purchased through funding from HFCs.

### FOCUS: SEMI URBAN/ RURAL

Keeping in line with IFLHFL focus on Tier V and Tier VI cities (Rural India), maximum of IFLHFL loans disbursed during FY21 fall under the Rural Areas as classified by NHB. In addition, focus will continue to be in extended suburbs of metro and mini towns, underserved Tier II and III locations, and potential semi urban and rural housing locations. As on 31<sup>st</sup> March, 2021 with a branch network of over 22 locations along with 1 HO spread across 3 states and 1 union territory the distribution reach of IFL is one of the best and largest in northern and central part of India.

### AVERAGE TICKET SIZE

The average Ticket Size for fresh disbursement during FY21 of Home Loan is 2,50,000/-, for Non Home Loan is Rs. 320,000/- and for Gold Loan is Rs. 78,000/-.

### 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 underlying 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. For the 2,045 plus customers already acquired and repayments are collected mostly on time, with one of the lowest NPA % in the industry.

## MANAGEMENT DISCUSSION & ANALYSIS

### 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, IFLHFL was able to raise funds from various banks and NHB to the extent of around Rs. 22 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. 4.99 crores was raised during the year.

IFLHFL understands that it is in the business of funding long term home loans up to 20 years. With this in the back ground, 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.

## MANAGEMENT DISCUSSION & ANALYSIS

### 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 177 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 better.



# 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](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](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

SL. NO.	FINANCIAL YEAR	AMOUNT AVAILABLE FOR SET-OFF FROM PRECEDING FINANCIAL YEARS (IN RS)	AMOUNT REQUIRED TO BE SET-OFF FOR THE FINANCIAL YEAR, IF ANY (IN RS)
Nil			

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

6. Average net profit of the company as per section 135(5) : Rs. 25,410,241/-
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 508,205/-
- (b) Surplus arising out of the CSR projects or programmes : Nil  
or activities of the previous financial years
- (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) : Rs. 5,08,205/-
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 PROVISIO TO SECTION 135(5).		
	AMOUNT.	DATE OF TRANSFER.	NAME OF THE FUND	AMOUNT.	DATE OF TRANSFER.
Rs. 7,60,000/-	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	
				STATE	DISTRICT						NAME	CSR REGISTRATION NUMBER
1												
												Nil

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) SL. NO.	(2) NAME OF THE PROJECT	(3) ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII TO THE ACT.	(4) LOCAL AREA (YES/NO).	(5) LOCATION OF THE PROJECT.		(6) AMOUNT SPENT FOR THE PROJECT (IN RS.).	(7) MODE OF IMPLEMENTATION - DIRECT (YES/NO).	(8) MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY.	
				STATE.	DISTRICT.			NAME.	CSR REGISTRATION NUMBER.
1	Medical, Food, Clothes and Healthcare	Eradicating hunger, poverty and malnutrition, promoting health care	Yes	Ashram Rd, Budhpur, Delhi.		510,000	No	Through implementing agency "Apna Ghar Ashram, Budhpur (Delhi)"	
2	Shelter of Animals	Animal welfare	Yes	Paota, Jaipur, Rajasthan.		250,000	No	Through implementing agency "Shri Krishna Gaushala" Paota, Jaipur, Rajasthan 303106	
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) : Rs. 7,60,000/-

(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)	508,205
(ii)	Total amount spent for the Financial Year	760,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	250,000
(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)]	250,000

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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 - COMPLETED /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) : N.A
- (b) Amount of CSR spent for creation or acquisition of capital asset : N.A
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : N.A
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : N.A
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). : N.A.

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

Place: New Delhi  
Date: 07.09.2021

Gopal Bansal  
Managing Director  
(DIN: 01246420)

Sunita Bansal  
Whole-Time Director  
(DIN: 02801660)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IFL HOUSING FINANCE LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OPINION

We have audited the standalone financial statements of **IFL Housing Finance Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and **profit**, and its cash flows for the year ended on that date, and change in equity 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.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rule 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 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

## INDEPENDENT AUDITOR'S REPORT

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of

## INDEPENDENT AUDITOR'S REPORT

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.

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.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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.
- 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)**

**Sd/-**

**(CA. Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**  
**Place: New Delhi**  
**Dated: 29.06.2021**  
**UDIN: 21090975AAAAAG5133**

## INDEPENDENT AUDITOR'S REPORT

### "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

We report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
(b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals; no any material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us, the company have no immovable property as on balance sheet date.
2. The company does not have any inventory and hence reporting under clause (ii) paragraph 3 of the order is not applicable.
3. The company has not granted loan to parties listed in the register maintained under section 189 of the Companies Act 2013 during the year.
4. In our opinion and according to the information and explanation given to us, the company has not given the unsecured loan to the parties covered under section 185 and 186 of the Companies Act, 2013 within the limits prescribed under these sections.
5. 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. According to the information and explanation given to us, government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the company.
7. 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, duty of customs, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
b) According to information and explanation given to us, there are no dues on account of income tax or goods and services tax or duty of customs or cess, which have not been deposited on account of any dispute.
8. According to information and explanations given to us, the company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders during the year of audit.
9. 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(ix) of the Order are not applicable to the Company and hence not commented upon.
10. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
11. Provisions of section 197 read with Schedule V to the Companies Act, 2013 are applicable to the company and remuneration was paid accordingly.

## INDEPENDENT AUDITOR'S REPORT

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company and hence not commented upon.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. 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. 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.

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

Sd/-

**(CA Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**  
**Place: New Delhi**  
**Dated: 29.06.2021**

### 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 2021 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

## INDEPENDENT AUDITOR'S REPORT

India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company, and;

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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)**

**Sd/-**  
**(CA Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**  
**Place: New Delhi**  
**Dated: 29.06.2021**

## AUDITOR'S ADDITIONAL REPORT

### TO THE BOARD OF DIRECTORS OF IFL HOUSING FINANCE LIMITED

### REPORT ON COMPLIANCE WITH THE HOUSING FINANCE COMPANIES- AUDITOR'S REPORT (NATIONAL HOUSING BANK) DIRECTIONS, 2016

Pursuant to the Housing Finance Companies- Auditor's Report (National Housing Bank) Directions, 2016 (the "Directions"), and as per the terms of our engagement, we have examined the matters specified in directions in respect of IFL Housing Finance Limited (the "Company") for the year ended 31st March, 2021.

Based on the examinations of the books of account and relevant records of the Company and audit procedures and such checks as considered appropriate by us and taking into consideration the information & explanations provided to us by the Company officials we report that:

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 HFC:-
  - A) The company provided more than 50% (As per notification no. RBI/2020-21/60, dated 22nd October, 2020) of its total asset (netted of its intangible asset) 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 Non-Baking Finance Company (Reserve Bank) Directions, 2021.
  - B) The company provided more than 40% (As per notification no. RBI/2020-21/60, dated 22nd October, 2020) out of its total asset (netted of its intangible asset) by way of housing finance for individuals as stated at clauses (a) to (e) of Paragraph 4.1.16 of Non-Baking Finance Company (Reserve Bank) Directions, 2021.
2. The company has complied with the Net Owed Fund (NOF) requirements as prescribed under section 29A of the National Housing Bank Act.
3. The Company has complied with Section 29C of the National Housing Bank Act, 1987.
4. The total borrowings of the Company are within the limits prescribed under paragraph 27(2) of Non-Baking Finance Company (Reserve Bank) Directions, 2021.
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, concentration of credit /investments as specified Non-Banking Finance Company (Reserve Bank) Directions, 2021.
6. The capital adequacy ratio as disclosed in the Schedule II return submitted to the National Housing Bank in terms of Non-Baking Finance Company (Reserve Bank) Directions, 2021 has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
7. The Company has furnished to the National Housing Bank within the stipulated period the Schedule II return as specified in Non-Baking Finance Company (Reserve Bank) Directions, 2021.
8. The Company is not required to submit the Schedule III return on Statutory Liquid Assets as specified in Non-Baking Finance Company (Reserve Bank) Directions, 2021.
9. The Company has complied with the requirements contained in Non-Baking Finance Company (Reserve Bank) Directions, 2021 in the case of opening of new branches/ offices or in the case of closure of existing branches/ offices.
10. The company has complied with the provisions contained in Paragraph 3.1.3, Paragraph 3.1.4 and Paragraph 18 of the Non-Baking Finance Company (Reserve Bank) Directions, 2021.

## AUDITOR'S ADDITIONAL REPORT

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

12.The Company has not accepted any public deposit during the year ended 31st March, 2021.

### **RESTRICTION TO USE**

This report has been issued pursuant to the requirement as per paragraph 69 of Non-Banking Finance Company (Reserve Bank) Directions, 2021. It should not be used by any other purpose. Accordingly, we do not accept or assume any liability or any duty of care 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)**

Sd/-

**(CA Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**  
**Place: New Delhi**  
**Dated: 29.06.2021**  
**UDIN: 21090975AAAAABI4318**

**BALANCE SHEET**

as at March 31, 2021

(Amount in Rupees)

SR. NO.	PARTICULARS	NOTES	AS AT 31 <sup>ST</sup> MARCH, 2021	AS AT 31 <sup>ST</sup> MARCH, 2020	AS AT 1 <sup>ST</sup> APRIL, 2020
<b>ASSETS</b>					
<b>I</b>	<b>Financial assets</b>				
	(a) Cash and cash equivalents	4	87,830,482	30,060,114	93,035,144
	(b) Loans	5	875,313,027	786,548,346	699,228,593
	(c) Investments	6	103,615,012	30,919,761	30,037,701
	(d) Other financial assets	7	34,701,658	63,026,347	13,862,382
	<b>Total Financial assets</b>		<b>1,101,460,179</b>	<b>910,554,568</b>	<b>836,163,820</b>
<b>II</b>	<b>Non-financial assets</b>				
	(a) Current tax assets (net)		-	-	-
	(b) Deferred tax assets (net)	8	4,453,946	2,995,321	2,184,605
	(c) Property, plant and equipment	9	6,212,192	3,944,735	2,192,989
	(d) Right to use Asset	9	11,408,282	3,754,368	-
	(e) Intangible assets under development	10	-	275,000	2,532,203
	(f) Other intangible assets	9	8,094,770	5,994,910	193,150
	(g) Other non-financial assets	11	1,364,800	838,181	22,599
	<b>Total Non-financial assets</b>		<b>31,533,990</b>	<b>17,802,515</b>	<b>7,125,546</b>
	<b>Total Assets</b>		<b>1,132,994,169</b>	<b>928,357,083</b>	<b>843,289,366</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>I</b>	<b>Financial liabilities</b>				
	(a) Payables				
	Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises	12	-	15,871	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	-	446,082	160,449
	(b) Borrowings (other than debt securities)	13	459,783,875	358,040,958	365,005,873
	(c) Other financial liabilities	14	18,704,825	8,961,462	7,992,594
	<b>Total Financial liabilities</b>		<b>478,488,700</b>	<b>367,464,373</b>	<b>373,158,916</b>
<b>II</b>	<b>Non-financial liabilities</b>				
	(a) Current tax liabilities (net)		359,617	5,631,153	5,938,274
	(b) Provisions	15	-	-	-
	(c) Deferred Tax Liabilities (Net)	8	-	-	-
	(d) Other non financial liabilities	16	202,274	170,274	-
	<b>Total Non-financial liabilities</b>		<b>561,891</b>	<b>5,801,427</b>	<b>5,938,274</b>
<b>EQUITY</b>					
	(a) Equity share capital	17	544,680,000	499,230,000	451,100,000
	(b) Other equity	18	109,263,578	55,861,283	13,092,176
	<b>Total Equity</b>		<b>653,943,578</b>	<b>555,091,283</b>	<b>464,192,176</b>
	<b>Total Liabilities and Equity</b>		<b>1,132,994,169</b>	<b>928,357,083</b>	<b>843,289,366</b>

Notes to the Ind AS financial statements

1-50

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

Sd/-

Ajay Aggarwal  
Partner  
Membership No. 090975

New Delhi, the 29th day of June, 2021

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

Sd/-

Gopal Bansal  
Managing Director  
DIN: 01246420

Sd/-

Prerna Matta Arora  
CFO  
PAN: BAMP7263C

Sd/-

Sunita Bansal  
Whole Time Director  
DIN: 02801660

Sd/-

Vijay Kr. Dwivedi  
Company Secretary  
PAN: BRGPD6317M

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(Amount in Rupees)

SR. NO.	PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31 <sup>st</sup> , 2021	FOR THE YEAR ENDED MARCH 31 <sup>st</sup> , 2020
	Revenue from operations			
	(i) Interest Income from Operations	19	147,056,873	133,560,672
	(ii) Other Income From Operations	20	17,263,115	13,894,885
I	Total Revenue From Operations			
II	Other Income	21	7,467,760	4,269,216
III	Total Income (I+II)		171,787,748	151,724,773
	Expenses			
	Finance costs	22	43,848,572	41,973,209
	Impairment on Financial Instruments (Expected Credit Loss)	23	2,392,683	1,908,011
	Employee benefits expenses	24	35,296,014	29,242,553
	Depreciation and amortisation expenses	9	4,483,237	5,183,203
	Other expenses	25	21,681,840	20,737,388
IV	Total Expenses		107,702,346	99,044,364
V	Profit/ (loss) before exceptional items and tax (I-II)		64,085,402	52,680,409
VI	Exceptional items		31,300	-
VII	Profit/ (loss) before tax		64,054,102	52,680,409
VIII	Less: Tax expense			
	Current tax		(16,229,436)	(13,046,000)
	Deferred tax (Net)		1,458,624	810,717
IX	Net Profit/ (loss) after tax		49,283,290	40,445,126
X	OTHER COMPREHENSIVE INCOME			
	A. Items that will not be reclassified to profit or loss			
	- Debt Oriented Mutual Fund instruments through other comprehensive income- gain/ (loss)		-	590,183
	B. Income tax relating to items that will not be reclassified to profit or loss		-	(164,190)
	C. Items that will be reclassified to profit or loss		(590,183)	(37,701)
	D. Income tax relating to items that will be reclassified to profit or loss		164,190	10,488
	Total Other Comprehensive Income (A-B-C+D)		(425,993)	398,780
XI	Total Comprehensive Income		48,857,297	40,843,906
XII	Earning Per Equity Share (EPS)			
	[nominal value of share Rs. 10]			
	Basic (in Rs.)		0.99	0.84
	Diluted (in Rs.)		0.99	0.84

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

Sd/-

Ajay Aggarwal  
Partner  
Membership No. 090975

New Delhi, the 29th day of June, 2021

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

Sd/-

Gopal Bansal  
Managing Director  
DIN: 01246420

Sd/-

Prerna Matta Arora  
CFO  
PAN: BAMP7263C

Sd/-

Sunita Bansal  
Whole Time Director  
DIN: 02801660

Sd/-

Vijay Kr. Dwivedi  
Company Secretary  
PAN: BRGPD6317M

## STATEMENT OF CASH FLOW

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31ST, 2021	FOR THE YEAR ENDED ON MARCH 31ST 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and after	64,054,102	52,680,409
Extra- ordinary items		
Adjustments for items: -		
Interest income at amortised cost	(147,056,873)	(133,560,672)
Surplus from deployment in the cash management scheme of the mutual fund	(3,511,689)	4,269,216
Finance cost	43,848,572	41,973,209
Depreciation and amortisation expense	4,483,237	5,183,203
Cash inflows from Interest	147,056,873	133,560,672
Cash inflows from surplus from deployment in the cash management scheme of the mutual fund	3,511,689	(4,269,216)
Cash outflows towards finance cost	(43,622,467)	(41,815,252)
Operating Profit before working capital changes	68,763,444	58,021,569
Working capital adjustments: -		
(Increase)/ decrease in trade receivables	-	-
(Increase)/ decrease in loans	(88,764,681)	(87,319,753)
(Increase)/ decrease in financial assets	28,324,688	(49,163,965)
(Increase)/ decrease in non- financial assets	(526,619)	(815,582)
Increase/ (decrease) in trade payables	(461,953)	301,504
Increase/ (decrease) in other financial liabilities	9,743,362	968,868
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in non financial liabilities	32,000	170,274
Cash generated from operations	17,110,241	(77,837,086)
Direct Taxes Paid	(21,500,972)	(13,353,121)
Net cash flow from operating activities (A)	(4,390,731)	(91,190,207)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/ (Purchase) of Property, plant & equipment	(16,229,470)	(14,233,872)
Sale/ (Purchase) of investments	(73,121,244)	(483,279)
Net cash flow from investing activities (B)	(89,350,714)	(14,717,151)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from issue of equity share capital	49,995,000	50,055,200
Net proceeds from borrowings	101,742,917	(6,964,915)
Interest expense on lease liabilities	(226,105)	(157,957)
Net cash flow from financing activities (C)	151,511,812	42,932,328
Net cash flow during the year (A + B + C)	57,770,367	(62,975,030)
Add: Opening cash and cash equivalents	30,060,114	93,035,144
Closing cash and cash equivalents	87,830,482	30,060,114
<b>Components of cash and cash equivalents</b>		
Cash in hand	2,225,990	1,368,547
Balances with banks:		
In current accounts	11,279,994	28,691,567
In fixed deposits	74,324,498	-
<b>Total cash and cash equivalents (Note 4)</b>	<b>87,830,482</b>	<b>30,060,114</b>

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

Sd/-

Ajay Aggarwal  
Partner  
Membership No. 090975

New Delhi, the 29th day of June, 2021

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

Sd/-

Sd/-

Gopal Bansal  
Managing Director  
DIN: 01246420

Sunita Bansal  
Whole Time Director  
DIN: 02801660

Sd/-

Sd/-

Prerna Matta Arora  
CFO  
PAN: BAMP7263C

Vijay Kr. Dwivedi  
Company Secretary  
PAN: BRGPD6317M

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	EQUITY SHARE CAPITAL	OTHER EQUITY				TOTAL OTHER EQUITY
		RESERVES AND SURPLUS				
		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	
Balance as at April 1st, 2020	499,230,000	13,417,409	1,925,200	40,092,680	425,993	55,861,281
Equity Shares issued during the year	45,450,000	-	4,545,000	-	-	4,545,000
Equity Shares Forfeited	-	-	-	-	-	-
Profit For the Year	-	-	-	49,283,290	-	49,283,290
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(425,993)	(425,993)
Transfer to Special Reserve in terms of Sec 29C of the NHB Act, 1987 *	-	10,648,889	-	(10,648,889)	-	-
Others	-	-	-	-	-	-
Balance as at March 31st, 2021	544,680,000	24,066,297	6,470,200	78,727,081	-	109,263,578

\* Note: The special reserve includes the reserve short created in FY 2019-20 amounting to Rs. 7,92,231/-.

(Amount in Rupees)

PARTICULARS	EQUITY SHARE CAPITAL	OTHER EQUITY				TOTAL OTHER EQUITY
		RESERVES AND SURPLUS				
		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	
Balance as at April 1st, 2019	451,100,000	5,739,013	-	7,325,950	27,213	13,092,176
Equity Shares issued during the year	48,130,000	-	1,925,200	-	-	1,925,200
Equity Shares Forfeited	-	-	-	-	-	-
Profit For the Year	-	-	-	40,445,126	-	40,445,126
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	398,780	398,780
Transfer to Special Reserve in terms of Sec 29C of the NHB Act, 1987	-	7,678,396	-	(7,678,396)	-	-
Others	-	-	-	-	-	-
Balance as at March 31st, 2020	499,230,000	13,417,409	1,925,200	40,092,680	425,993	55,861,281

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

As per our report of even date

FOR AJAY RATTAN &amp; CO.

Chartered Accountants

Firm Regn. No. 012063N

Sd/-

Ajay Aggarwal  
Partner

Membership No. 090975

New Delhi, the 29th day of June, 2021

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

Sd/-

Gopal Bansal  
Managing Director  
DIN: 01246420

Sd/-

Prerna Matta Arora  
CFO  
PAN: BAMPJM7263C

Sd/-

Sunita Bansal  
Whole Time Director  
DIN: 02801660

Sd/-

Vijay Kr. Dwivedi  
Company Secretary  
PAN: BRGPD6317M

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 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 along with Loan Against Property and Loan against Collateral of Gold Jewellery. The Company is registered under the provisions of Section 29A of The National Housing Bank Act, 1987.

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

### 2. BASIS OF PRESENTATION AND MEASUREMENT:

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 relevant provisions of the Act and Master Circulars The Housing Finance Companies (NHB) Directions, 2010 (Master Directions) issued by National Housing Bank and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India.

For all periods up to and including the financial year ended March 31, 2019, the Company had prepared its Financial Statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). The company has adopted IND AS with effective transition date from the Financial Year beginning April 01, 2019.

The Company is regulated by the National Housing Bank ("NHB") and also by Reserve Bank of India via its circular DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22nd, 2020 and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued on February 17th, 2021. The NHB/RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the company, including those relating to accounting for certain types of transactions. The regulatory framework contains specific instructions that need to be followed by the company in preparing its financial statements

#### (a) BASIS OF PRESENTATION:

The Balance Sheet, the Statement of Profit and Loss and the Statement of Change in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". Amounts in the financial statements are presented in Indian Rupees which is also functional currency of the Company. Per share data are presented in Indian Rupee to two decimal places

#### (b) BASIS OF MEASUREMENT:

The Financial Statements have been prepared on a historical cost basis and on accrual basis, except for Certain Financial Assets and Liabilities are measured at fair value.

### 3. SIGNIFICANT ACCOUNTING POLICIES:

#### (a) STATEMENT OF COMPLIANCE:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

Companies (Indian Accounting Standards) Rules, 2015.

### (b) BASIS OF PRESENTATION AND MEASUREMENT:

The Ind AS financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services.

### (c) USE OF ESTIMATES:

The preparation of Ind AS financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of Ind AS financial statements, disclosure of contingent liabilities as at the date of the Ind AS financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

### (d) CRITICAL ACCOUNTING ESTIMATES:

#### (i) INCOME TAXES:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

#### (ii) IMPAIRMENT OF INVESTMENTS:

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

### (iii) PROVISIONS:

Provisions are recognized 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 a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

### (e) PROPERTY, PLANT AND EQUIPMENT:

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

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

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

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

PARTICULARS OF PROPERTY, PLANT & EQUIPMENT	USEFUL LIFE (IN YEARS)
Furniture & fixtures	10
Vehicles	8
Office Equipments*	5
Computers	3

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

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

### (f) INTANGIBLE ASSETS AND AMORTISATION THEREOF:

Intangible assets, representing softwares 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.

### (g) 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 and processing fees using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through

the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

### (ii) DIVIDEND:

Dividend income from investments is recognised when the shareholders' 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.

### (h) FINANCIAL INSTRUMENTS:

#### (i) FINANCIAL ASSETS: -

##### Recognition and initial measurement: -

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 earned on disbursement of loan assets have been recognized in revenue over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

##### Subsequent measurement: -

Equity instrument and Mutual Fund: - All equity

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

Instrument and mutual funds within scope of Ind-AS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

Debt instrument: - A 'debt instrument' is 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.

De- recognition of Financial Assets: -

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

### (ii) FINANCIAL LIABILITIES: -

Recognition and initial measurement: -

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

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 project 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

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 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** - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the present credit risk is low and who do not availed the benefit of Moratorium.
- **Stage 2** - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the present credit risk is medium or where the present credit risk is low and who availed the benefit of Moratorium.

- **Stage 3** - Non-performing assets with overdue more than 90 DPD. Stage 3 loans also include facilities, where the present credit risk is high or where the present credit risk is medium and who availed the benefit of Moratorium.

Being a housing finance company, the company has to follow the guidelines given by the National Housing Bank (NHB) on Prudential norms on Asset Classification and provisioning requirement. The prudential norms prescribed by NHB 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 NHB whichever is higher.

### (i) CASH & CASH EQUIVALENTS:

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

### (j) TAXATION:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961.

Current and deferred tax are recognised in profit and loss, except when they relates to items that are recognised in other comprehensive income or directly

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after offsetting advance tax paid and income tax provision.

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.

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.

Income Tax Recognised in the statement of profit and loss for the year ended on 31st march 2021.

(Amount in Rupees)

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Current Tax (A)	16,229,436	13,046,000
Deferred Tax Asset (Net) (B)	1,458,624	810,717
Total Tax Expense recognised in the current year relating to Continuing Operations (A)-(B)	14,770,812	12,235,283

\*The Company opted for income tax rate under section 115BAA of the Income Tax Act, 1961; the effective tax rate is at 25.168%.

### (K) EMPLOYEE BENEFITS:

#### (i) SHORT-TERM EMPLOYEE BENEFITS:-

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.

#### (ii) POST-EMPLOYMENT BENEFITS:-

##### Defined Benefit Plans:-

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. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### (I) 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.

The following is the computation of earnings per share on basic and diluted earnings per equity share:

(Amount in Rupees)

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Net profit after tax ( in Cr)	49,283,290	40,445,126
Weighted Average Number of Equity Shares (No's)	50,010,164	47,961,205
Earnings Per Share- Basic and Diluted (Rs.)	0.99	0.84

### (m) 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 ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of Company covers the minimum provisioning required as per the NHB guidelines.

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 NHB Directions. 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 NHB Directions, to absorb crest related losses in its portfolio of loan items after individual allowances or write offs.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### (n) LEASES:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

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

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset

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

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 4. CASH AND CASH EQUIVALENTS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Cash on hand	2,225,990	1,368,547	1,844,573
Balance with banks:			
-In current accounts	11,279,994	28,691,567	91,190,571
-Remittance in Transit	-	-	-
In Other Deposit Accounts			
-In fixed deposits (maturities less than 3 months)	74,324,498	-	-
Total	87,830,482	30,060,114	93,035,144

### 5. LOANS

#### AT AMORTISED COST

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
(A) Loans			
Loan Repayable on Demand			
Housing loans	634,469,994	649,288,585	619,104,880
Loan Against Property	215,292,880	141,069,508	82,025,449
Loan Against Shares	24,295,372	-	-
Loan Against Gold Jewellery	7,457,211	-	-
Total Gross (A)	881,515,457	790,358,093	701,130,329
Less: Impairment Loss Allowance (Expected Credit Loss)	6,202,430	3,809,747	1,901,736
Total Net (A)	875,313,027	786,548,346	699,228,593
(B) (i) Secured by Tangible Assets	857,220,085	790,358,093	701,130,329
(ii) Secured by Intangible Assets	24,295,372	-	-
(ii) Unsecured	-	-	-
Total Gross (B)	881,515,457	790,358,093	701,130,329

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
(C) (I) Loans in India			
(ii) Public Sector	-	-	-
(ii) Others	881,515,457	790,358,093	701,130,329
Total Gross (c) (I)	881,515,457	790,358,093	701,130,329
Less: Impairment Loss Allowance (Expected Credit Loss)	6,202,430	3,809,747	1,901,736
Total Net (c) (I)	875,313,027	786,548,346	699,228,593
(II) Loans Outside India	-	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-	-
Total Net (c) (II)	-	-	-
Total Net (c) (I) and (II)	875,313,027	786,548,346	699,228,593

- 5.1 The aforesaid Housing Loans are secured term loans given by the company either through equitable mortgage or through registered mortgage or both of residential properties of the borrowers.
- 5.2 The aforesaid Loan Against Property are secured term loans given by the company either through equitable mortgage or through registered mortgage or both of residential/commercial properties of the borrowers.
- 5.3 The aforesaid Loan Against Shares are secured term loans given by the company against the Collateral of 2,50,000 Quotable Equity Shares of Bajaj Healthcare Limited.
- 5.4 The aforesaid Loan Against Gold Jewellery are secured term loans given by the company against the Pledge of Gold Jewellery.
- 5.5 The previous year figures are regrouped to deduct Impairment Loss Allowance (Expected Credit Loss) from Gross Loans Outstanding to reach at Net Loan Outstanding. (Earlier Loans were taken at Gross Value and Provisions were shown at Liability Side).

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 6. INVESTMENTS IN INDIA (AT FVTPL)/PY (AT FVOCI)

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
In Mutual Funds*			
A. At Amortised Cost	99,998,000	30,329,578	30,000,000
At Fair Value through Other Comprehensive Income	-	590,183	37,701
At Fair Value through profit and loss	3,617,012	-	-
Total Gross	103,615,012	30,919,761	30,037,701
B. Impairment Loss Allowance (Expected Credit Loss)	-	-	-
C. Net (A)- (B)	103,615,012	30,919,761	30,037,701

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

### 7. OTHER FINANCIAL ASSETS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Balances with banks in fixed deposits with maturities more than 12 months	10,000,000	20,115,794	-
Capital advances to related parties (Note 44)	-	25,000,000	-
Security deposits Given	1,374,728	657,328	170,328
Advances to suppliers	2,968,045	956,745	512,282
Accrued interest on loan	9,438,106	8,317,834	5,673,045
Accrued interest on others	4,479,704	478,646	6,727
Ex-Gratia Receivables	2,691,075	-	-
Cash collateral	3,750,000	7,500,000	7,500,000
Total	34,701,658	63,026,347	13,862,382

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 8. DEFERRED TAX ASSETS/(LIABILITIES) RECORDED IN BALANCE SHEET

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Opening Balance of Deferred Tax Asset	2,995,321	2,184,605	750,859
a. Changes in deferred tax assets/(liabilities) recorded in profit or loss	1,458,624	810,717	1,433,746
b. Changes in deferred tax recorded in other comprehensive Income	-	-	-
c. Changes in deferred tax recorded in Retained Earning	-	-	-
Closing Balance of Deferred Tax Assets	4,453,946	2,995,321	2,184,605

### 8.1 CHANGES IN DEFERRED TAX ASSETS/(LIABILITIES) RECORDED IN PROFIT OR LOSS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Deferred tax related to the following			
Disallowances u/s 43B of the Income Tax Act, 1961	-	-	-
Impairment on financial instruments	-	-	-
Depreciation and amortisation expenses	222,332	81,962	(171,071)
Financial Instrument (Loans) measured at EIR	1,204,625	584,664	2,227,219
Financial Instrument (Borrowings) measured at EIR	129,974	142,365	(786,202)
Lease Liability Impact	(45,453)	59,820	-
Unrealised net gain/loss on fair value changes	-	-	-
Others	(52,853)	(58,094)	163,800
Deferred Tax Assets	1,458,624	810,717	1,433,746

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

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 9. PROPERTY, PLANT AND EQUIPMENT, RIGHT TO USE ASSETS & INTANGIBLE ASSETS (CURRENT YEAR):

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTISATION			NET BLOCK	
	AS AT APRIL 01ST, 2020	ADDITION	DEDUCTIO N/ SALE	AS AT MARCH 31ST, 2021	AS AT APRIL 01ST, 2020	FOR THE YEAR	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020
<b>A. PROPERTY, PLANT &amp; EQUIPMENT</b>									
Furniture and fixtures	1,569,069	2,139,666	-	3,708,735	409,815	354,590	764,405	2,944,330	1,159,254
Vehicles	1,834,229	-	-	1,834,229	638,965	371,773	1,010,738	823,491	1,195,264
Office Equipments	1,430,200	895,102	-	2,325,302	555,550	335,653	891,203	1,434,099	874,650
Computers	1,767,265	982,034	-	2,749,299	1,051,698	687,329	1,739,027	1,010,272	715,567
<b>Sub Total</b>	<b>6,600,763</b>	<b>4,016,802</b>	<b>-</b>	<b>10,617,565</b>	<b>2,656,028</b>	<b>1,749,345</b>	<b>4,405,373</b>	<b>6,212,192</b>	<b>3,944,735</b>
<b>Previous Year</b>	<b>3,158,982</b>	<b>3,441,781</b>	<b>-</b>	<b>6,600,763</b>	<b>965,993</b>	<b>1,690,035</b>	<b>2,656,028</b>	<b>3,944,735</b>	<b>2,192,989</b>
<b>B. RIGHT TO USE ASSETS</b>									
Office Premises (Right of Use asset) (Note 9.2)	6,217,092	8,424,916	-	14,642,008	2,462,725	771,001	3,233,726	11,408,282	3,754,368
<b>Sub Total</b>	<b>6,217,092</b>	<b>8,424,916</b>	<b>-</b>	<b>14,642,008</b>	<b>2,462,725</b>	<b>771,001</b>	<b>3,233,726</b>	<b>11,408,282</b>	<b>3,754,368</b>
<b>Previous Year</b>	<b>-</b>	<b>6,217,092</b>	<b>-</b>	<b>6,217,092</b>	<b>-</b>	<b>2,462,725</b>	<b>2,462,725</b>	<b>3,754,368</b>	<b>-</b>
<b>C. INTANGIBLE ASSETS</b>									
Softwares	7,074,703	4,062,750	-	11,137,453	1,079,793	1,962,890	3,042,683	8,094,770	5,994,910
<b>Sub Total</b>	<b>7,074,703</b>	<b>4,062,750</b>	<b>-</b>	<b>11,137,453</b>	<b>1,079,793</b>	<b>1,962,890</b>	<b>3,042,683</b>	<b>8,094,770</b>	<b>5,994,910</b>
<b>Previous Year</b>	<b>242,500</b>	<b>6,832,203</b>	<b>-</b>	<b>7,074,703</b>	<b>49,350</b>	<b>1,030,443</b>	<b>1,079,793</b>	<b>5,994,910</b>	<b>193,150</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### PROPERTY, PLANT AND EQUIPMENT, RIGHT TO USE ASSETS & INTANGIBLE ASSETS (PREVIOUS YEAR):

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK	
	AS AT APRIL 01ST, 2019	ADDITION	DEDUCTIO N/ SALE	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019	FOR THE YEAR	AS AT MARCH 31ST, 2020	AS AT MARCH 31ST, 2020	AS AT MARCH 31ST, 2019
<b>A. TANGIBLE ASSETS</b>									
Furniture and fixtures	487,688	1,081,381	-	1,569,069	131,058	278,757	409,815	1,159,254	356,630
Vehicles	833,672	1,000,557	-	1,834,229	154,890	484,075	638,965	1,195,264	678,782
Office Equipments	936,152	494,048	-	1,430,200	269,277	286,273	555,550	874,650	666,875
Computers	901,470	865,795	-	1,767,265	410,768	640,930	1,051,698	715,567	490,702
Sub Total	3,158,982	3,441,781	-	6,600,763	965,993	1,690,035	2,656,028	3,944,735	2,192,989
Previous Year	1,490,094	1,668,888	-	3,158,982	193,765	772,228	965,993	2,192,989	1,296,329
<b>B. RIGHT TO USE ASSETS</b>									
Office Premises (Right of Use asset) (Note 9.2)	-	6,217,092	-	6,217,092	-	2,462,725	2,462,725	3,754,368	-
Sub Total	-	6,217,092	-	6,217,092	-	2,462,725	2,462,725	3,754,368	-
Previous Year	-	-	-	-	-	-	-	-	-
<b>C. INTANGIBLE ASSETS</b>									
Softwares	242,500	6,832,203	-	7,074,703	49,350	1,030,443	1,079,793	5,994,910	193,150
Sub Total	242,500	6,832,203	-	7,074,703	49,350	1,030,443	1,079,793	5,994,910	193,150
Previous Year	242,500	-	-	242,500	1,062	48,288	49,350	193,150	241,438

### NOTES

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

9.2 Effective from 1st April, 2019, the Company adopted Ind AS 116 Leases and applied the same to all lease contracts existing on 1st April, 2019 using the modified retrospective approach with Right of Use asset recognized at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. Accordingly, the Company recognises office premises as Right of Use asset representing its right to use the said office premises for the contracted lease term.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 10. OTHER INTANGIBLE ASSETS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Intangible assets under development (software)	-	275,000	2,532,203
Total	-	275,000	2,532,203

### 11. OTHER NON- FINANCIAL ASSETS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Advance to employees	615,000	244,000	-
Prepaid expenses	749,800	594,181	22,599
Total	1,364,800	838,181	22,599

### 12. PAYABLES

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (Note 45)	-	15,871	-
- Total outstanding dues of other than micro enterprises and small enterprises	-	446,082	160,449
Total	-	461,953	160,449

### 13. BORROWINGS (OTHER THAN DEBT SECURITIES)

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Secured			
At Amortised Cost			
Term Loans:			
- From Banks	208,300,390	247,712,633	176,327,728
- From Other Non-Banking Financial Institutions	126,710,485	110,328,325	188,678,145

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
- From National Housing Bank	124,773,000	-	-
Others			
- Loans from related parties (unsecured)	-	-	-
Total	459,783,875	358,040,958	365,005,873
Out of Above			
In India	459,783,875	358,040,958	365,005,873
Outside India	-	-	-

### TERMS AND CONDITIONS OF ABOVE LOANS ARE AS FOLLOWS:

13.1 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. The same are repayable in equal instalments from 60 to 96 months.

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

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

### 13.4 TERMS OF REPAYMENT OF TERM LOANS AND DEBENTURES AS AT 31ST MARCH 2021.

(Amount in Rupees)

PARTICULARS	UPTO 1 YEAR	OVER 1 YEAR TO 3 YEARS	OVER 3 YEAR TO 5 YEARS	OVER 5 YEARS	TOTAL
Secured					
At Amortised Cost					
Term Loans:					
- From Banks	36,564,514	72,633,279	61,231,029	37,871,568	208,300,390

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	UPTO 1 YEAR	OVER 1 YEAR TO 3 YEARS	OVER 3 YEAR TO 5 YEARS	OVER 5 YEARS	TOTAL
- From Other Non-Banking Financial Institutions	43,552,429	63,179,844	19,978,212	-	126,710,485
- From National Housing Bank	28,800,000	57,600,000	34,364,000	4,009,000	124,773,000
Total Payable as per IND AS 109	108,916,943	193,413,123	115,573,241	41,880,568	459,783,875
EIR Impact					2,041,731
Total Payable as per IGAAP					461,825,606

### TERMS OF REPAYMENT OF TERM LOANS AND DEBENTURES AS AT 31ST MARCH 2020.

(Amount in Rupees)

PARTICULARS	UPTO 1 YEAR	OVER 1 YEAR TO 3 YEARS	OVER 3 YEAR TO 5 YEARS	OVER 5 YEARS	TOTAL
Secured					
At Amortised Cost					
Term Loans:					
- From Banks	39,296,810	78,593,622	72,148,871	57,673,330	247,712,633
- From Other Non-Banking Financial Institutions	33,563,346	67,126,688	9,638,291	-	110,328,325
- From National Housing Bank	-	-	-	-	-
Total Payable as per IND AS 109					358,040,958
EIR Impact					2,558,156
Total Payable as per IGAAP					360,599,114

### 14. OTHER FINANCIAL LIABILITIES

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Interest accrued on loan	1,468,344	395,761	697,314
Insurance of loan applicant	545,678	786,140	938,409
Payable to authorities (net)	423,922	915,438	1,099,697

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	AS AT MARCH		AS AT APRIL
	31ST, 2021	31ST, 2020	1ST, 2019
Lease liability* (Note 9.2)	11,465,365	3,992,050	-
Other expenses payable	4,801,515	2,872,073	5,257,174
Total	18,704,825	8,961,462	7,992,594

\*Disclosed as required by Ind AS 116 - Leases

### 15. PROVISIONS

(Amount in Rupees)

PARTICULARS	AS AT MARCH		AS AT APRIL
	31ST, 2021	31ST, 2020	1ST, 2019
Provision for Tax	-	-	-
Total	-	-	-

### 16. OTHER NON FINANCIAL LIABILITIES

(Amount in Rupees)

PARTICULARS	AS AT MARCH		AS AT APRIL
	31ST, 2021	31ST, 2020	1ST, 2019
Security deposits	202,274	170,274	-
Total	202,274	170,274	-

### 17. EQUITY SHARE CAPITAL

(Amount in Rupees)

PARTICULARS	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020		AS AT 1ST APRIL 2019	
	NOS.	(AMOUNT)	NOS.	(AMOUNT)	NOS.	(AMOUNT)
Authorized shares						
Equity shares of Rs. 10 each with voting rights	60,000,000	600,000,000	60,000,000	600,000,000	50,000,000	500,000,000
Issued, subscribed and fully paid-up shares	54,468,000	544,680,000	49,923,000	499,230,000	45,110,000	451,100,000

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 17.1 RECONCILIATION OF NUMBER OF EQUITY SHARES AND AMOUNT OUTSTANDING

(Amount in Rupees)

PARTICULARS	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020		AS AT 1ST APRIL 2019	
	NOS.	(AMOUNT)	NOS.	(AMOUNT)	NOS.	(AMOUNT)
Equity Shares						
- At the beginning of the period	49,923,000	499,230,000	45,110,000	451,100,000	18,050,000	180,500,000
- Issued during the year (Right Issue)#	4,545,000	45,450,000	4,813,000	48,130,000	27,060,000	270,600,000
Total Outstanding at the end of the period	54,468,000	544,680,000	49,923,000	499,230,000	45,110,000	451,100,000

#The Company allotted equity shares of Rs. 10 each at a premium of Re. 1 per share pursuant to the scheme of right issue during the current financial year as specified above as against allotment of equity shares of Rs. 10 each at a premium of Re. 0.40 per share pursuant to the scheme of right issue during the previous financial year.

### 17.2 TERMS AND RIGHTS ATTACHED TO EQUITY SHARES

The company has issued only one class of equity shares having at a premium of Re 1 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

### 17.3 SHARES HELD BY THE HOLDING COMPANY

NAME OF SHAREHOLDER	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020		AS AT 1ST APRIL 2019	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
India Finsec Limited	39,714,980	72.91%	39,714,980	79.55%	39,495,000	87.55%

### 17.4 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY:

NAME OF SHAREHOLDER	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020		AS AT 1ST APRIL 2019	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
India Finsec Limited	39,714,980	72.91%	39,714,980	79.55%	39,495,000	87.55%
Mr. Gopal Bansal	5,388,000	9.89%	5,388,000	10.79%	3,355,000	7.44%
Mrs. Sunita Bansal	5,667,270	10.40%	2,940,000	5.89%	900,000	2.00%

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

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 18. OTHER EQUITY

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 20	AS AT APRIL 1ST, 2019
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	13,417,409	5,739,013	-
Add: Transferred during the year	10,648,889	7,678,396	5,739,013
Net Balance of Special Reserve	24,066,297	13,417,409	5,739,013
Securities Premium			
Opening balance	1,925,200	-	-
Add: addition/(deletion) during the year	4,545,000	1,925,200	-
Closing balance	6,470,200	1,925,200	-
Retained earnings			
Opening balance	40,092,681	7,325,950	(2,149,384)
Add: Profit/(loss) for the year	49,283,290	40,445,126	15,214,347
Less: Appropriation to Statutory reserve	(10,648,889)	(7,678,396)	(5,739,013)
Closing balance	78,727,082	40,092,681	7,325,950
Equity instruments through other comprehensive income			
Opening balance	425,993	27,213	-
Add: addition/(deletion) during the year	(425,993)	398,780	27,213
Closing balance	(0)	425,993	27,213
Total	109,263,579	55,861,283	13,092,176

18.1 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.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 19. INTEREST INCOME FROM OPERATIONS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Interest income (amortised cost)			
- on loans	141,675,447	132,815,795	54,615,024
- on cash collateral	395,548	524,818	7,427
- on fixed deposits	4,885,878	220,059	1,061,408
- on capital advance given	100,000	-	-
Total	147,056,873	133,560,672	55,683,859

### 20. OTHER INCOME FROM OPERATIONS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Processing & other fee	17,263,115	13,894,885	10,524,091
Total	17,263,115	13,894,885	10,524,091

### 21. OTHER INCOME

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Surplus from deployment in cash management scheme of Mutual Fund	3,511,689	4,269,216	563,689
Interest on Income Tax Refund	40,690	-	-
EPFO Rebate/Subsidy	60,687	-	-
Debt Oriented Mutual Fund instruments through profit and loss	3,617,013	-	-
Lease Liability Written Off	237,682	-	-
Total	7,467,760	4,269,216	563,689

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 22. FINANCE COSTS

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
On financial liabilities measured at amortised cost			
- Interest on borrowings	43,622,467	41,815,252	9,671,590
- Interest expense on lease liabilities (Note 9.2)	226,105	157,957	-
Total	43,848,572	41,973,209	9,671,590

### 23. IMPAIRMENT ON FINANCIAL INSTRUMENTS (EXPECTED CREDIT LOSS)

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
- Loans	2,392,683	1,908,011	1,486,050
- Investments	-	-	-
Total	2,392,683	1,908,011	1,486,050

### 24. EMPLOYEE BENEFITS EXPENSES

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Director remuneration	2,400,000	2,608,508	2,275,000
Salaries and wages	28,119,847	23,581,792	14,356,411
Contribution to provident and other funds	1,721,241	1,285,167	470,848
Staff welfare expenses	1,105,133	521,546	157,704
Other employee benefits	1,949,793	1,245,540	971,838
Total	35,296,014	29,242,553	18,231,801

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 25. OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Advertisement expenses	30,070	194,457	161,372
Payments to Auditors (refer Note 25.1)	225,000	145,000	45,000
Bad Debts Written Off	3,607,340	-	-
Bank Charges	136,496	73,789	70,688
Insurance Expense			
- Car Insurance	41,050	41,561	10,858
- Office Insurance	29,937	-	-
Commission expenses	378,427	1,099,476	2,071,066
Conveyance expenses	1,551,141	1,474,910	806,366
Communication Expense	99,353	212,055	83,230
Documentation & stamp charges	363,984	121,476	757,120
Donations			
- for Corporate Social Responsibility (refer Note 25.2)	760,000	-	-
- for other donations	51,100	-	-
Fee & subscriptions	228,521	1,571,549	2,857,271
GST reversal u/s 42*	-	1,806,343	1,122,575
Interest on government dues	446,725	457,982	2,514
Legal & technical charges	504,357	1,308,810	1,270,850
Branch opening expenses	163,640	79,349	-
Professional charges	2,650,739	2,620,897	1,591,477
Printing & Stationery	499,502	426,342	214,566
Power & Fuel	487,447	482,823	209,881
Postage & Courier	218,353	69,079	21,530

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
Penal Charges	38,150	-	-
Rent expenses	3,039,230	927,750	1,519,000
Repair & Maintenance			
- Office Repair & Maintenance	627,860	605,612	11,301
- Vehicle Repair & Maintenance	17,513	-	-
- Computer Repair & Maintenance	399,187	274,818	-
Software expenses	2,555,114	1,676,466	1,050,000
Tour & travelling expenses	326,617	602,911	144,146
Valuation report charges	1,262,366	1,484,301	1,279,800
Other expenses	942,621	2,979,632	934,470
Total	21,681,840	20,737,388	16,235,081

\* GST reversal u/s 42 is considered in the respective expense during the current Financial year.

### 25.1 AUDITOR REMUNERATION INCLUDES:

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31ST, 2021	AS AT MARCH 31ST, 2020	AS AT APRIL 1ST, 2019
- for statutory audit	75,000	30,000	30,000
- for tax audit	25,000	15,000	15,000
- for secretarial audit	25,000	-	-
- for internal audit	100,000	100,000	-
Total	225,000	145,000	45,000

### 25.2 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 spent for CSR activities in accordance with its CSR policy. The details of the CSR expenses for the year are as under:



## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS		
LIABILITIES SIDE	AMOUNT OUTSTANDING	AMOUNT OVERDUE
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
* Please see Note 1 below		
ASSET SIDE		
		AMOUNT OUTSTANDING
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		89,09,53,563
(b) UnSecured		35,83,045
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial Lease		
(b) Operating Lease		-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on Hire		-
(b) Repossessed Assets		-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed		-
(b) Loans other than (a) above		-
(5) Break-up of Investments		
Current Investments		

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	
ASSET SIDE	AMOUNT OUTSTANDING
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	10,36,15,012
(iv) Government Securities	-
(v) Others	-
b. Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
Long Term Investments	
a. Quoted	
(i) Shares	
(a) Equity	
(b) Preference	
(ii) Debentures and Bonds	
(iii) Units of Mutual Funds	
(iv) Government Securities	
(v) Others	

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	AMOUNT OUTSTANDING		
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		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2. Other than Related Parties	88,47,51,133	-	88,47,51,133
Total	88,47,51,133	-	88,47,51,133
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		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	AMOUNT OUTSTANDING		
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2. Other than Related Parties	10,36,15,012	-	10,36,15,012
Total	10,36,15,012	-	10,36,15,012

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

### 8. Other Information

Particulars	Amount in Rupees
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other Than Related Parties	64,63,614
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other Than Related Parties	44,96,023
(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 TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27. ADDITIONAL DISCLOSURES IN TERMS OF NHB GUIDELINES

#### 27.1 PRINCIPAL BUSINESS CRITERIA:

27.1.1 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 57.23% of its Total Balance Sheet Assets (Netted Off by Intangible Assets) (Previous Year was 70.75%).

b. Out of the total assets (netted off by intangible), 57.23% is by way of housing finance for individuals (Previous Year was 70).

27.1.2 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 19th day of March 2021.

#### 27.2 CAPITAL TO RISK ASSETS RATIO (CRAR):

PARTICULARS	(Amount in Rupees)		
	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(i) CRAR (%)	103.84%	121.35%	132.89%
(ii) CRAR-Tier I Capital (%)	103.16%	120.87%	132.35%
(iii) CRAR-Tier II Capital (%)	0.68%	0.48%	0.55%
Amount of subordinated debt raised as Tier-II Capital	-	-	-
Amount raised by issue of Perpetual Debt instruments	-	-	-

Previous Year Figure is recalculated taking the impact of Adjusted Value of Funded Risk i.e. off Balance sheet items.

#### 27.3 RESERVE FUND UNDER SECTION 29C OF NHB ACT, 1987

PARTICULARS	(Amount in Rupees)		
	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Balance at the beginning of the year			
a) Statutory reserve fund u/s 29C of NHB Act, 1987	-	-	-
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	13,417,409	5,739,013	-
c) Total	13,417,409	5,739,013	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Addition/Appropriation/Withdrawal during the year			
Add:			
a) Amount transferred u/s 29C of the NHB Act, 1987			-
Current Year	3,856,892	-	-
Previous Year Short Created	792,231	-	-
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	5,999,766	7,678,396	5,739,013
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	4,649,123	-	-
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	19,417,175	13,417,409	5,739,013
c) Total	24,066,298	13,417,409	5,739,013

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 TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.4 INVESTMENTS

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Value of Investments			
(i) Gross value of investments			
(a) In India	103,615,012	30,919,761	30,037,701
(b) Outside India	-	-	-
(ii) Provision for depreciation			
(a) In India	-	-	-
(b) Outside India	-	-	-
(iii) Net value of investments			
(a) In India	103,615,012	30,919,761	30,037,701
(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	-	-	-

### 27.5 DERIVATIVES

#### 27.5.1 FORWARD RATE AGREEMENT (FRA) / INTEREST RATE SWAP (IRS)

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(i) The notional principal of swap agreements	Not Applicable	Not Applicable	Not Applicable
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Not Applicable	Not Applicable	Not Applicable
(iii) Collateral required by the HFC upon entering into swaps	Not Applicable	Not Applicable	Not Applicable

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(iv) Concentration of credit risk arising from the swaps \$	Not Applicable	Not Applicable	Not Applicable
(v) The fair value of the swap book @	Not Applicable	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.

### 27.5.2 EXCHANGE TRADED INTEREST RATE (IR) DERIVATIVE

(Amount in Rupees)

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

### 27.5.3 DISCLOSURES ON RISK EXPOSURE IN DERIVATIVES

#### A. Qualitative Disclosure

Company has no exposure in Derivatives. Hence Clause 27.5.3 is not Applicable

#### B. Quantitative Disclosure

(Amount in Rupees)

PARTICULARS	CURRENCY DERIVATIVES	INTEREST RATE DERIVATIVES
(i) Derivatives (Notional Principal Amount)	Not Applicable	Not Applicable
(ii) Marked to Market Positions [1]	Not Applicable	Not Applicable
(a) Assets (+)	Not Applicable	Not Applicable
(b) Liability (-)	Not Applicable	Not Applicable
(iii) Credit Exposure [2]	Not Applicable	Not Applicable
(iv) Unhedged Exposures	Not Applicable	Not Applicable

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.6 SECURITISATION

27.6.1

(Amount in Rupees)

PARTICULARS	AMOUNT
1. No of SPVs sponsored by the HFC for securitisation transactions	Not Applicable
2. Total amount of securitised assets as per books of the SPVs sponsored	Not Applicable
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	Not Applicable
(I) Off-balance sheet exposures towards credit enhancements	Not Applicable
(II) On-balance sheet exposures towards credit enhancements	Not Applicable
4. Amount of exposures to securitisation transactions other than MRR	Not Applicable
(I) Off-balance sheet exposures towards credit Enhancements	Not Applicable
a) Exposure to own securitizations	Not Applicable
b) Exposure to third party securitisations	Not Applicable
(II) On-balance sheet exposures towards credit enhancements	Not Applicable
a) Exposure to own securitisations	Not Applicable
b) Exposure to third party securitisations	Not Applicable

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

### 27.6.2 DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION / RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

( Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(i) No. of accounts	Not Applicable	Not Applicable	Not Applicable
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Not Applicable	Not Applicable	Not Applicable
(iii) Aggregate consideration	Not Applicable	Not Applicable	Not Applicable
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Not Applicable	Not Applicable	Not Applicable
(v) Aggregate gain / loss over net book value	Not Applicable	Not Applicable	Not Applicable

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.6.3 DETAILS OF ASSIGNMENT TRANSACTIONS UNDERTAKEN BY HFCS

( Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(i) No. of accounts	Not Applicable	Not Applicable	Not Applicable
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Not Applicable	Not Applicable	Not Applicable
(iii) Aggregate consideration	Not Applicable	Not Applicable	Not Applicable
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Not Applicable	Not Applicable	Not Applicable
(v) Aggregate gain / loss over net book value	Not Applicable	Not Applicable	Not Applicable

### 27.6.4 DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED / SOLD

#### A. DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED:

( Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
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:

( Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
1.No. of accounts sold	-	-	-
2. Aggregate outstanding	-	-	-
3. Aggregate consideration received	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.7 Asset Liability Management:

#### (Maturity pattern of certain items of Assets and Liabilities as on March 31st, 2021)

( Amount in Rupees Crores)

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	-	-	0.30	0.30	0.30	0.91	1.83	7.26	6.12	3.79	20.83
- From Financial Institution	-	-	0.36	0.36	0.36	1.09	2.18	6.32	2.00	-	12.67
- From NHB	-	-	-	-	-	0.72	2.16	5.76	3.44	0.40	12.48
- From Other Market	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	0.94	0.38	0.40	0.44	1.37	3.48	15.32	16.85	49.91	89.09
Investments*	-	-	-	10.36	-	-	-	-	-	-	10.36
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

\*Investment here means investment in Debt Oriented Mutual Funds

#### (Maturity pattern of certain items of Assets and Liabilities as on March 31st, 2020)

( Amount in Rupees Crores)

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	-	-	0.33	0.33	0.33	0.98	1.96	7.86	7.21	5.77	24.77
- From Financial Institution	-	-	0.28	0.28	0.28	0.84	1.68	6.71	0.96	-	11.03
- From NHB	-	-	-	-	-	-	-	-	-	-	-
- From Other Market	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	0.83	0.14	0.16	0.20	0.77	1.89	9.14	10.78	55.98	79.87
Investments*	-	-	-	3.09	-	-	-	-	-	-	3.09
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

\*Investment here means investment in Debt Oriented Mutual Funds

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.8 EXPOSURE

#### 27.8.1 EXPOSURE TO REAL ESTATE SECTOR

( Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
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;	848,306,625	770,589,751	679,958,425
(i) Out of the above Individual Housing Loans up to Rs. 15.00 lakh	428,595,233	390,999,083	296,771,685
(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;	10,734,288	28,086,176	26,844,949
(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)	-	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>859,040,913</b>	<b>798,675,927</b>	<b>706,803,374</b>

Note:

- Exposure is calculate as aggregate of balance outstanding as per IND AS and Interest earned but not due till 31st March of the respective year.
- Previous Year Figures are recalculated as aggregate of balance outstanding as per IND AS and Interest earned but not due till 31st March of the respective year.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.8.2 EXPOSURE TO CAPITAL MARKET

( Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	24,425,792	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
<b>Total Exposure to Capital Market</b>	<b>24,425,792</b>	<b>-</b>	<b>-</b>

Note:

The Company is also having Capital Market exposure through investment in Debt Oriented Mutual Fund having Fair Market Value amounting to Rs. 10,36,15,012 /- as on 31st Day of March, 2021.

### 27.8.3 DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

No financing of parent company products is done.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 27.8.4 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.

### 27.8.5 UNSECURED ADVANCES

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

b. The company has given 2 loans against Collateral of Shares duly listed on BSEs amounting to Rs. 2,45,00,000/- as against the Collateral of 2,50,000 Quotable Equity Shares of Bajaj Healthcare.

### 27.8.6 EXPOSURE TO GROUP COMPANIES ENGAGED IN REAL ESTATE BUSINESS

( Amount in Rupees)

DESCRIPTION	CURRENT YEAR		PREVIOUS YEAR	
	Amount (Rs. In Crores)	% of Owned Fund	Amount (Rs. In Crores)	% 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	-	-	-	-

## 28. MISCELLANEOUS

### 28.1 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 2021.
- The Company has registered itself with the Information Utility [NeSL (National E Governance Services Ltd.)] as required under Insolvency & Bankruptcy Code, 201

### 28.2 DISCLOSURE OF PENALTIES IMPOSED BY NHB AND OTHER REGULATORS

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

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 28.3 RELATED PARTY TRANSACTIONS

Detailed information furnished under Note No. 44

### 28.4 GROUP STRUCTURE

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

### 28.5 RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATING DURING THE YEAR.

INSTRUMENT	RATING AGENCY	RATING	DATE OF RATING
Long Term Bank Facilities	Brickwork Ratings	BWR BBB-/Stable	05th July 2020
Long Term Bank Facilities	Care Ratings	Care BB+/Stable	06th Feb 2019

### 28.6 REMUNERATION OF DIRECTORS

Detailed information furnished under Notes to Accounts (please refer Note No. 44 )

### 28.7 MANAGEMENT

As provided in Board of Directors' Report.

### 28.8 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES.

(Amount in Rupees)

PARTICULARS	AMOUNT
Net Profit for the period (before tax)	64,054,102
Prior Period Items	31,300
Changes in Accounting Policies	Nil

### 28.9 REVENUE RECOGNITION

There is no deferment of revenue recognition.

### 28.10 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.

28.11 The company did not entered into any joint venture and do not have any overseas subsidiaries.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 29. ADDITIONAL DISCLOSURES

#### 29.1 PROVISIONS AND CONTINGENCIES

(Amount in Rupees)

BREAK UP OF 'PROVISIONS AND CONTINGENCIES' SHOWN UNDER THE HEAD EXPENDITURE IN PROFIT AND LOSS ACCOUNT	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
1. Provisions for depreciation on investment	-	-	-
2. Provision made towards Income tax	16,229,436	13,046,000	6,546,000
3. Provision towards NPA	1,967,591	1,648,942	-
4. Provision for Standard assets (with details like teaser loan, CRE, CRE-RH etc.)	4,234,839	2,160,805	1,901,736
5. Provision for Sub-standard assets	829,925	772,857	-
6. Provision for Loss Assets*	1,137,666	876,085	-
7. Other Provision and Contingencies (with details)	-	-	-

\* Loss Assets due to identified as fraud during the year under consideration.

(Amount in Rupees)

BREAK UP OF LOAN & ADVANCES AND PROVISIONS THEREON	FOR THE YEAR ENDED		FOR THE YEAR ENDED		FOR THE YEAR ENDED ON	
	MARCH 31ST, 2021		MARCH 31ST, 2020		APRIL 1ST, 2019	
	HOUSING LOAN	NON-HOUSING LOAN	HOUSING LOAN	NON-HOUSING LOAN	HOUSING LOAN	NON-HOUSING LOAN
Standard Assets						
a) Total Outstanding Amount	635,782,523	248,707,426	642,281,004	147,903,224	624,570,617	82,232,757
b) Provisions made	2,851,082	1,383,757	1,628,990	531,815	1,570,067	331,669
Sub-Standard Assets						
a) Total Outstanding Amount	4,337,187	988,761	4,830,510	223,522	-	-
b) Provisions made	674,031	155,894	738,677	34,181	-	-
Doubtful Assets – Category-I						
a) Total Outstanding Amount	-	-	3,311,302	126,365	-	-
b) Provisions made	-	-	843,881	32,204	-	-
Doubtful Assets – Category-II						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

BREAK UP OF LOAN & ADVANCES AND PROVISIONS THEREON	FOR THE YEAR ENDED		FOR THE YEAR ENDED		FOR THE YEAR ENDED ON	
	MARCH 31ST, 2021		MARCH 31ST, 2020		APRIL 1ST, 2019	
	HOUSING LOAN	NON- HOUSING LOAN	HOUSING LOAN	NON- HOUSING LOAN	HOUSING LOAN	NON- HOUSING LOAN
Doubtful Assets – Category-III						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Loss Assets						
a) Total Outstanding Amount	1,107,467	30,199	-	-	-	-
b) Provisions made	1,107,467	30,199	-	-	-	-

### NOTE:

- a. Total Outstanding Amount in case of Standard Assets means Principal Outstanding As per IND AS + EMI Overdue + Interest earned but not due till 31.03.2021.
- b. Total Outstanding Amount in case of Sub-Standard Assets means Principal Outstanding as per IND AS+ EMI Overdue - Interest Overdue.
- c. The Company's policy is to provide provisions towards NPA as per NHB guidelines on the Total Outstanding Amount as per points a and b above. However by way of prudence and abundant caution, Company has provided additional provision over and above the NHB guidelines as Expected Credit Loss in Compliance with IND AS 109.
- d. Proportionate Insurance amount funded by the company as a part of Housing Loan is classified as Non-Housing Loan and thus provision is created accordingly.
- e. Previous Year Figures are re-calculated to Proportionate Insurance amount funded by the company as a part of Housing Loan is classified as Non-Housing Loan and thus provision is created accordingly.
- f. Loss Asset is the current Financial Year is Fraudulent Account classified as Loss Assets as and when detected as Fraud.
- g. Previous Figures are recalculated taking into consideration Interest Earned but not due as on 31st March and also bifurcating the Proportionate Insurance amount funded by the company as a part of Housing Loan is classified as Non-Housing Loan. Provision for previous year is not calculated on interest earned but not due till 31st March and created @ 0.25% instead of 0.40% on insurance component of housing loan.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 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:

(Amount in Rupees)

PARTICULARS	OPENING AS ON APRIL 01ST, 2021	PROVISIONS MADE DURING THE YEAR	PROVISIONS ADJUSTED/REVE RSED	CLOSING BALANCE AS ON MARCH 31ST, 2021
Taxation	13,046,000	16,229,436	13,046,000	16,229,436
Standard Assets	2,160,805	4,234,839	2,160,805	4,234,839
Sub-Standard Asset	738,677	829,925	738,677	829,925
Doubtfull Asset	843,881	-	843,881	-
Loss Asset	-	1,137,666	-	1,137,666
Moratorium Assets	-	2,386,179	2,386,179	-
Investment	-	-	-	-

### 29.2 DRAW DOWN FROM RESERVES

Company has not drawn any amount from reserves.

### 29.3 CONCENTRATION OF PUBLIC DEPOSITS, ADVANCES, EXPOSURES AND NPAS

#### 29.3.1 CONCENTRATION OF PUBLIC DEPOSITS (FOR PUBLIC DEPOSIT TAKING/HOLDING HFCS)

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Total deposits of twenty largest depositors	Not Applicable	Not Applicable	Not Applicable
Percentage of deposits of twenty largest depositors to total deposits of the HFC	Not Applicable	Not Applicable	Not Applicable

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 29.3.2 CONCENTRATION OF LOANS & ADVANCES

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Total loans & advances to twenty largest borrowers	98,306,244	99,670,470	124,355,547
Percentage of loans & advances of twenty largest borrowers to total advances of the HFC	11.03%	12.48%	17.59%

Total loans & advances to twenty largest borrowers is considered on the basis of Higher of Sanction or Outstanding including Interest Earned but not due till 31.03.2021.

Amount and percentage of Total loans & advances to twenty largest borrowers is calculated taking Outstanding as per IND AS and Interest Earned but not due till 31.03.2021.

### 29.3.3 CONCENTRATION OF ALL EXPOSURE (INCLUDING OFF-BALANCE SHEET EXPOSURE)

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Total exposure to twenty largest borrowers/customers	98,806,244	99,670,470	124,355,547
Percentage of exposures of twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	10.55%	12.48%	17.59%

#### Note:

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

Previous Year Figure is being recalculated on the basis of Sanction or Outstanding which ever is higher (Earlier was taken on the basis of Sanction Only.)

### 29.3.4 CONCENTRATION OF NPAS

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Total exposure to top ten NPA accounts	6,354,711	8,491,699	Nil
Total exposure to NPA accounts	6,463,614	8,491,699	Nil

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 29.3.5 SECTOR-WISE NPAs

SECTOR	PERCENTAGE OF NPAS TO TOTAL ADVANCES IN THAT SECTOR	
	For the year ended March 31st, 2021	For the year ended March 31st, 2020
A. Housing Loans:		
1. Individuals	0.85%	1.26%
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
B. Non-Housing Loans:		
Loan Against Property		
1. Individuals	0.47%	Nil
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
Loan Against Shares		
1. Individuals	Nil	NA
2. Builders/Project Loans	Nil	NA
3. Corporates	Nil	NA
4. Others (specify)	Nil	NA
Loan Against Collateral of Gold Jewellery		
1. Individuals	Nil	NA
2. Builders/Project Loans	Nil	NA
3. Corporates	Nil	NA
4. Others (specify)	Nil	NA

Calculated taking Outstanding as per IND AS and Interest earned but not due on 31.03.2021

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 29.4 MOVEMENT OF NPAs

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
(I) Net NPAs to Net Advances (%)	0.51%	0.87%	0.00%
(II) Movement of NPAs (Gross)			
a) Opening balance	8,491,699	-	-
b) Additions during the year	6,791,949	15,233,381	-
c) Reductions during the year	8,820,034	6,741,682	-
d) Closing balance	6,463,614	8,491,699	-
(III) Movement of Net NPAs			
a) Opening balance	6,842,757	-	-
b) Additions during the year	3,761,417	12,910,893	-
c) Reductions during the year	6,108,151	6,068,136	-
d) Closing balance	4,496,023	6,842,757	-
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	1,648,942	-	-
b) Provisions made during the year	3,030,532	2,322,488	-
c) Write-off/write-back of excess provisions	2,711,883	673,546	-
d) Closing balance	1,967,591	1,648,942	-

### 29.5 Overseas Assets

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Overseas Assets	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 29.6 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

(Amount in Rupees)

NAME OF THE SPV SPONSORED	
Domestic	Overseas
Not Applicable	Not Applicable

### 29.7 DISCLOSURE REGARDING PERCENTAGE OF OUTSTANDING LOANS GRANTED AGAINST THE COLLATERAL GOLD JEWELLERY TO THEIR OUTSTANDING TOTAL ASSETS.

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
Gross Loan Outstanding against Collateral of Gold Jewellery including Interest Earned but not due as on 31.03.2021	7,486,858	-	-
Gross Total Loans Outstanding including Interest Earned but not due as on 31st of March	890,953,563	798,675,927	706,803,374
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	0.84%	-	-

### 30. DISCLOSURE OF COMPLAINTS

#### CUSTOMER COMPLAINTS

(In Numbers)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021	FOR THE YEAR ENDED MARCH 31ST, 2020	FOR THE YEAR ENDED APRIL 1ST, 2019
a) No. of complaints pending at the beginning of the year	0	0	0
b) No. of complaints received during the year	4	1	0
c) No. of complaints redressed during the year	4	1	0
d) No. of complaints pending at the end of the year	0	0	0

### 31.FRAUD CASES- DISCLOSURE IN PERSUANCE OF NHB(ND)/DRS/POLICY CIRCULAR.NO.92/2018-19 DATED FEBRUARY 05, 2019

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021		FOR THE YEAR ENDED MARCH 31ST, 2020		FOR THE YEAR ENDED APRIL 1ST, 2019	
	No.	Outstanding Amount	No.	Outstanding Amount	No.	Outstanding Amount
Opening Loans Account detected as Fraud	2	3,504,340	-	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31ST, 2021		FOR THE YEAR ENDED MARCH 31ST, 2020		FOR THE YEAR ENDED APRIL 1ST, 2019	
	No.	Outstanding Amount	No.	Outstanding Amount	No.	Outstanding Amount
Additional Loan Accounts detected as Fraud during the Year	1	1,193,218	2	3,844,554	0	0
Amount Recovered during the year	1	55,552	2	340,214	0	0
Loan Accounts Written Off During The Year	2	3,504,340	0	0	0	0
Closing Loans Account detected as Fraud	1	1,137,666	2	3,504,340	0	0
Provision Created		1,137,666		876,085		0

31.2 The Board of Directors considering the loan accounts detected as fraud during the Financial Year 2019-20 as recoverable, created the provision @ 25% and classifying the same as Doubtfull Debt in the same Financial Year.

31.3 The Board of Directors and Audited Committee, based on the circumstances of the cases found the fraud cases detected in FY 2019-20, found un-recoverable and mutually decided to get the balance outstanding written off in the Financial Year 2020-21.

31.4 The Company detected one loan as suspected fraud during the Financial Year 2020-21 and reported the same to the Board of Directors on 05th of December 2020 with balance outstanding Rs. 11,93,218. The Company duly created 100% on the same.

### 32. DISCLOSURE IN COMPLIANCE WITH NHB (ND)/DRS/POLICY CIRCULAR NO.71/2014-15 DATED APRIL 22, 2015- GUIDELINES FOR ENTRY OF HOUSING FINANCE COMPANIES INTO INSURANCE BUSINESS

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

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

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

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

32.5 The Company has duly filed its returns with IRDA.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 33. DURING THE YEAR:

- 33.1 The Company has not obtained any unsecured loans during the year.
  - 33.2 No prior period items occurred which has impact on profit and loss account except a nominal amount of Rs. 31,300/-.
  - 33.3 No change in any accounting policy.
  - 33.4 There were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.
  - 33.5 There was no withdrawal from Reserve fund.
  - 33.6 Company has not accepted public deposits.
  - 33.7 The company do not have an exposure to teaser rate loans.
- 34 There have been no events after the reporting date that requires disclosure in these financial statements.
- 35 The Company has complied with all the prudential norms prescribed by National Housing Bank on income recognition, accounting standards, assets classification, provisions for bad & doubtful debts, capital adequacy and credit/investment concentration.

### 36. 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.

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

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

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

### 38. THE DISCLOSURE REQUIREMENTS AS REQUIRED BY RBI CIRCULAR DATED APRIL 17, 2020 FOR THE YEAR ENDED MARCH 31, 2021 IS GIVEN BELOW:

(Amount in Rupees)

PARTICULARS	FOR THE YEAR ENDED MARCH 31 <sup>ST</sup> , 2021	FOR THE YEAR ENDED MARCH 31 <sup>ST</sup> , 2020
Advances outstanding in SMA/overdue categories, where the moratorium /deferment was extended as per the COVID- 19 regulatory package as at February, 2020#	107,184,152	96,628,497
Advances outstanding where asset classification benefits is extended\$	23,861,790	6,909,387
Provisions made in terms of paragraph 5 of the COVID 19 Regulatory Package*	2,386,179	-
Provisions adjusted against slippages in terms of paragraph 6	-	-
Residual provisions in terms of paragraph 6 of the COVID 19 Regulatory Package	-	-

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

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

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

\$ The company skipped to create the provision as per paragraph 5 of the COVID 19 Regulatory Package for the year ended 31.03.2021, thus the company created an additional general provision for regulatory submission for Q4 of FY 2019-20 and Q1 of FY 2020-21 amounting to Rs. 345,469/- and 2,040,710/- respectively aggregating Rs. 2,386,179/- in the financial year 2020-21 itself. The residual provisions had been written back by the company in March 2021 as per the circular.

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

This would nullify the interest on interest and / or compound interest and / or penal interest during the moratorium period March 01, 2020 to August 31, 2020 with respect to all borrower accounts irrespective of the exposure and thus, would imply to apply it to eligible borrower accounts wherein the ex-gratia benefit vide RBI circular No. RBI/2020-21/61 DOR.No.BP.BC.26/21.04.048/2020-21 dated October 26, 2020 on 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 3 1.8.2020) ' was not given due to restrictive eligibility criteria of Rs. 2 crores.

None of the customer of the company was denied with the benefit of 'Scheme for grant of ex-gratia payment' due to the restrictive eligibility criteria of Rs. 2 crores. Thus, the Company is not required to created a liability towards estimated interest relief and reduced the same from the interest income for the year ended March 31, 2021.

#### 40. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013:-

Expenditure incurred for Corporate Social Responsibility is Rs. 7.60 lakhs (Previous Year Rs. 0).

Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under:

a. Gross amount required to be spent by the company during the year Rs. 5.08 lakhs (Previous Year - N.A.)

b. Amount spent, utilized and charged during the year on:

(Amount in Rupees)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(i) Construction/ Acquisition of Any Assets	-	-
(ii) On purpose other than (i) above	760,000	-
Total	760,000	-

The Company has made contribution, towards Corporate Social Responsibility (CSR), to the tune of Rs. 7,60,000/- during the current financial year.

However, in pursuance of Rule 7(3) of Companies (CSR Policy) Amendment Rules, 2021, the company will carry forward and avail the benefit of the excess contribution to the tune of Rs. 250,000 in the next year.

#### 41. CONTINGENT LIABILITIES AND COMMITMENTS:

(Amount in Rupees)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(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	46,016,488	22,005,856
-Towards Sanction Pending Disbursement	6,070,000	6,310,199
-Towards Part Disbursement	39,946,488	15,695,657
(v) Pending Capital Commitment	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

42. 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.

### 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’.

(Amount in Rupees)

ASSET CLASSIFICATION AS PER RBI NORMS	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
<b>Performing Assets</b>						
Standard	Stage 1	876,490,906	4,176,740	872,315,166	2,613,881	1,562,859
	Stage 2	7,999,043	58,098	7,939,945	23,252	34,846
<b>Sub Total</b>		<b>884,489,949</b>	<b>4,234,838</b>	<b>880,255,111</b>	<b>2,637,133</b>	<b>1,597,705</b>
<b>Non- Performing Assets (NPA)</b>						
Sub-Standard	Stage 3	5,325,948	829,926	4,496,022	803,296	26,630
Doubtful- upto 1 Year	Stage 3	-	-	-	-	-
1 to 3 Year	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
<b>Sub Total for Doubtful</b>		<b>5,325,948</b>	<b>829,926</b>	<b>4,496,022</b>	<b>803,296</b>	<b>26,630</b>
Loss	Stage 3	1,137,666	1,137,666	-	1,137,666	-
<b>Sub Total for NPA</b>		<b>1,137,666</b>	<b>1,137,666</b>	<b>-</b>	<b>1,137,666</b>	<b>-</b>
<b>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</b>						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

(Amount in Rupees)

ASSET CLASSIFICATION AS PER RBI NORMS	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
<b>Sub Total</b>		-	-	-	-	-
	Stage 1	876,491,906	4,176,740	872,315,166	2,613,881	1,562,859
	Stage 2	7,998,043	58,098	7,939,945	23,252	34,846
	Stage 3	6,463,614	1,967,592	4,496,022	1,940,962	26,630
<b>Total</b>		890,953,563	6,202,430	884,751,133	4,578,095	1,624,335

Gross Amount is aggregate of value as per IND AS and interest earned but not due as on 31<sup>st</sup> March, 2021.

#### 44. RELATED PARTIES:

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

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

SR. NO.	NATURE OF RELATIONSHIP	NAME OF PARTY
(i)	Holding Company	India Finsec Limited
(ii)	Key Management Personnel	Mr. Gopal Bansal (Managing Director) Ms. Sunita Bansal (Director) Mr. Arvinder Singh (Director Till 08 July 2020) Mr. Saurabh Chhabra (Director Till 08 July 2020) Ms. Purva Mangal (Director w.e.f 26 August 2019) Ms. Charu Bansal (Director w.e.f 08 July 2020) Mr. Amit Kumar Aggarwal (Director w.e.f 08 July 2020) Ms. Purna Matta Arora (CFO) Ms. Varsha Bharti (Company Secretary till 06 <sup>th</sup> May 2020) Mr. Vijay Kumar Dwivedi (Company Secretary w.e.f. 08 July 2020 )
(iii)	Relatives of Key Management Personnel	Gopal Bansal HUF Ms. Kriti Suri

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

Following transactions are made with the related parties covered under Ind AS- 24 on “Related Parties Disclosure”:-

S.N O	TRANSACTION WITH	NATURE OF TRANSACTION	TRANSACTIONS DURING THE YEAR		BALANCES AS AT	
			31/03/2021	31/03/2020	31/03/2021	31/03/2020
			(RS.)	(RS.)	(RS.)	(RS.)
<b>(i) Holding Company: -</b>						
	India Flnsec Limited	Interest paid	Nil	Nil	Nil	Nil
		Loan taken	Nil	Nil	Nil	Nil
		Loan repaid	Nil	Nil	Nil	Nil
		Allotment of equity shares	Nil	2,288,000	Nil	Nil
<b>(ii) Key Managerial Personnel: -</b>						
	Mr. Gopal Bansal	Director remuneration	1,500,000	483,333	150,000	100,000
		Interest paid	Nil	Nil	Nil	Nil
		Loan taken	Nil	Nil	Nil	Nil
		Loan repaid	Nil	Nil	Nil	Nil
		Allotment of equity shares	Nil	21,143,200	Nil	Nil
	Ms. Sunita Bansal	Rent paid	862,500	450,000	Nil	Nil
		Director remuneration	900,000	1,000,000	75,000	100,000
		Advance given	15,000,000	21,000,000	Nil	12,500,000
		Advance received back	27,500,000	8,500,000	Nil	Nil
		Allotment of Equity share	29,999,970	21,216,000	Nil	Nil
	Mr. Gaurav Suri	Director remuneration	NA	1,125,172	Nil	Nil
		Allotment of equity share capital	NA	NA	Nil	Nil
	Ms. Purna Matta Arora	Salary	Nil	1,193,296	Nil	76,474
	Ms. Varsha Bharti	Salary	40,210	537,466	Nil	46,597
	Mr. Vijay Kumar Dwivedi	Salary	433,987	NA	56,548	46,597
<b>(iii) Relatives of Key Management Personnel: -</b>						
	Ms. Kriti Suri	Salary and Conveyance	900,000	700,000	75,000	70,000
		Allotment of equity shares	Nil	2,236,000	Nil	-
	Gopal Bansal HUF	Rent paid	862,500	450,000	Nil	Nil
		Allotment of Equity shares	19,995,030	1,872,000	Nil	Nil
		Advance given	15,000,000	12,500,000	Nil	12,500,000
		Advance received back	27,500,000	Nil	Nil	Nil

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

**45. UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006, (MSMED) WHICH CAME IN TO FORCE FROM 2 OCTOBER 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:**

(Amount in Rupees)

PARTICULARS	31/03/2021	31/03/2020	31/03/2019
Principal amount due remaining unpaid	Nil	15,871	Nil
Interest due on above remaining unpaid	Nil	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	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	Nil
Amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	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	Nil

### 46. FOREIGN CURRENCY:

(Amount in Rupees)

	CURRENT YEAR	PREVIOUS YEAR
Foreign currency earnings, expenditures and outgo	Nil	Nil

## NOTES TO THE IND AS FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 47. SEGMENT REPORTING:

The Company's main business is to provide loans for purchase, construction, repairs and renovation etc. of residential house. All other activities of the company revolve around the main business. As such, there are no separate reportable segments, as per IND AS 108 "Operating Segment" specified under section 133 of the Companies Act, 2013.

48. The Ind AS financial statements have been reviewed and recommended by the Audit Committee of The Board and subsequently approved by the Board of Directors at its meeting held on 29th Day of June 2021.

49. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.

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

Signed for the purpose of Identification

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

Sd/-

Ajay Aggarwal  
Partner  
Membership No. 090975

New Delhi, the 29th day of June, 2021

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

Sd/-

Gopal Bansal  
Managing Director  
DIN: 01246420

Sd/-

Prerna Matta Arora  
CFO  
PAN: BAMP7263C

Sd/-

Sunita Bansal  
Whole Time Director  
DIN: 02801660

Sd/-

Vijay Kr. Dwivedi  
Company Secretary  
PAN: BRGPD6317M

## OTHER

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](mailto:info@iflhousingfinance.com) Website- [www.iflhousingfinance.com](http://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

## OTHER

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 Sixth Annual General Meeting of the Company to be held on Thursday, 30th September, 2021 at 4:30 p.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, 2021 including Audited Balance Sheet as on March 31, 2021, Cash Flow Statement and the Statement of Profit and Loss, for the financial year ended on March 31, 2021, 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.

Signed this.....Day of. 2021



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.**

## OTHER

**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](mailto:info@iflhousingfinance.com) Website- [www.iflhousingfinance.com](http://www.iflhousingfinance.com) Contact No. 01147096097**

### ATTENDANCE SLIP

<b>Full name and address of the Shareholder/Proxy Holder (in block letters)</b>	
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 Thursday, 30th September, 2021 at 4:30 p.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.









Loan in 3 days

## **IFL HOUSING FINANCE LIMITED**

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

CIN: U65910DL2015PLC285284