

**AJAY RATTAN & CO.****CHARTERED ACCOUNTANTS**

UDIN: 20090975 AAAABD 4829

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 2020, 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, 2020, and loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. 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



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to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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





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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those.
- 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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.





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- 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.

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

(CA Ajay Aggarwal)
Partner
Membership No. 090975



Place: New Delhi
Dated: 23.06.2020



“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, 2020:

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.
2. The Company doesn’t have inventories. Accordingly, reporting under clause 3(ii) of the order is not applicable to the Company.
3. The company has not granted any 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.
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.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same..

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.





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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, one case of fraud on the company was noticed during the year. The company is taking appropriate legal actions against the offender and the amount outstanding as on 31st March, 2020 in respect of loan given is Rs. 35,04,340/-. Appropriate provisioning has been done for the same.
11. Provisions of section 197 read with Schedule V to the Companies Act, 2013 applicable to the company and company pay remuneration according to Schedule V of Companies Act, 2013.
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 made preferential allotment or private placement of equity shares during the year under review. Requirement of Section 42 of Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised.
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)

(CA Ajay Aggarwal)
Partner
Membership No. 090975



Place: New Delhi
Dated: 23.06.2020



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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 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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





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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA Ajay Aggarwal)
Partner
Membership No. 090975



Place: New Delhi
Dated: 23.06.2020

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

BALANCE SHEET AS AT 31ST MARCH 2020

	Notes	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
ASSETS				
Financial assets				
Cash and cash equivalents	3	3,01,75,908	9,30,35,144	9,56,48,848
Receivables	4			
- Trade receivables		-	-	1,41,600
Loans	5	79,03,58,093	70,11,30,329	10,19,90,950
Investments	6	3,09,19,761	3,00,37,701	-
Other financial assets	7	3,62,96,480	1,31,79,772	23,06,103
Non-financial assets				
Current tax assets (net)		-	-	4,08,576
Deferred tax assets (net)	8	29,95,321	21,84,605	7,50,859
Property, plant and equipment	9	76,99,103	21,92,989	12,96,329
Intangible assets under development	10	2,75,000	25,32,203	10,50,000
Other intangible assets	10	59,94,910	1,93,150	2,41,438
Other non-financial assets	11	2,74,52,254	7,05,209	9,94,861
Total Assets		93,21,66,830	84,51,91,102	20,48,29,564
LIABILITIES AND EQUITY				
Financial liabilities				
Payables				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	12	15,871	-	10,620
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	4,46,082	1,60,449	6,59,493
Borrowings (other than debt securities)	13	35,80,40,958	36,50,05,873	2,34,12,336
Other financial liabilities	14	80,46,024	68,92,897	19,80,813
Non-financial liabilities				
Current tax liabilities (net)		56,31,152	59,38,274	-
Provisions	15	38,09,747	19,01,736	4,15,686
Other non financial liabilities	16	10,85,712	10,99,697	-
EQUITY				
Equity share capital	17	49,92,30,000	45,11,00,000	18,05,00,000
Other equity	18	5,58,61,283	1,30,92,176	(21,49,384)
Total Liabilities and Equity		93,21,66,830	84,51,91,102	20,48,29,564

Notes to the Ind AS financial statements

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

As per our report of even date attached

FOR AJAY RATTAN & CO.,
CHARTERED ACCOUNTANTS,
FRN. 012063N

CA AJAY AGGARWAL
PARTNER
MEMBERSHIP NO: 090975

New Delhi, the 23rd day of June, 2020

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

Gopal Bansal
Managing Director
DIN: 01246420

Sunita Bansal
Director
DIN: 02801660

Prerna
Prerna Matta Arora
CFO
PAN: BAMPMP7263C

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020

	Notes	For the year ended on 31st March 2020 (Rupees)	For the year ended on 31st March 2019 (Rupees)
REVENUE			
Revenue from operations			
Total Revenue (I)	19	15,17,24,773	6,67,71,639
		<u>15,17,24,773</u>	<u>6,67,71,639</u>
EXPENSES			
Finance costs	20	4,19,73,209	96,71,590
Employee benefits expenses	21	2,92,42,553	1,82,31,801
Depreciation and amortisation expenses	9	51,83,203	8,20,516
Other expenses	22	2,07,37,387	1,62,35,081
Total (II)		<u>9,71,36,352</u>	<u>4,49,58,988</u>
Profit/ (loss) before exceptional items and tax (I-II)		<u>5,45,88,421</u>	<u>2,18,12,651</u>
Exceptional items		-	-
Profit/ (loss) before tax		<u>5,45,88,421</u>	<u>2,18,12,651</u>
Tax expense			
Current tax		(1,30,46,000)	(65,46,000)
Deferred tax		8,10,717	14,33,746
Profit/ (loss) after tax (III)		<u>4,23,53,137</u>	<u>1,67,00,397</u>
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
- Equity instruments through other comprehensive income- gain/ (loss)		5,90,183	37,701
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,64,189)	(10,488)
(iii) Items that will be reclassified to profit or loss		(37,701)	-
(iv) Income tax relating to items that will be reclassified to profit or loss		10,488	-
Total Other Comprehensive Income (IV)		<u>3,98,781</u>	<u>27,213</u>
Total Comprehensive Income (III+IV)		<u>4,27,51,919</u>	<u>1,67,27,610</u>
Earning per equity share (EPS)			
[nominal value of share Rs. 10]			
Basic (in Rs.)		0.88	0.75
Diluted (in Rs.)		0.88	0.75

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

FOR AJAY RATTAN & CO.,
CHARTERED ACCOUNTANTS,

FRN. 012063N

CA AJAY AGGARWAL
PARTNER

MEMBERSHIP NO: 090975

New Delhi, the 23rd day of June, 2020



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

Gopal Bansal
Managing Director
DIN: 01246420

Sunita Bansal
Director
DIN: 02801660

Prerna Matta Arora
CFO
PAN: BAMP7263C

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020

	For the year ended on 31st March 2020 (Rupees)	For the year ended on 31st March 2019 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax and after extra- ordinary items	5,45,88,421	2,18,12,651
Adjustments for items: -		
Interest income at amortised cost	(13,35,60,672)	(5,56,83,859)
Surplus from deployment in the cash management scheme of the mutual fund	(42,69,216)	(5,63,689)
Finance cost	4,19,73,209	(96,71,590)
Depreciation and amortisation expense	51,83,203	8,20,516
Provisions created pursuant to NHB Act	(19,08,011)	(14,86,050)
Cash inflows from Interest	13,35,60,672	5,56,83,859
Cash inflows from surplus from deployment in the cash management scheme of the mutual fund	42,69,216	5,63,689
Cash outflows towards finance cost	(4,18,15,252)	96,71,590
Operating Profit before working capital changes	5,80,21,570	2,11,47,117
Working capital adjustments: -		
(Increase)/ decrease in trade receivables	-	1,41,600
(Increase)/ decrease in loans	(8,92,27,764)	(59,91,39,379)
(Increase)/ decrease in financial assets	(2,31,16,708)	(1,08,73,669)
(Increase)/ decrease in financial assets	(2,67,47,045)	2,89,652
Increase/ (decrease) in trade payables	3,01,504	(5,09,664)
Increase/ (decrease) in other financial liabilities	11,53,127	49,12,084
Increase/ (decrease) in provisions	19,08,011	14,86,050
Increase/ (decrease) in non financial liabilities	(13,985)	10,99,697
Cash generated from operations	(7,77,21,290)	(58,14,46,511)
Direct Taxes Paid	(1,33,53,122)	(1,99,150)
Net cash flow from operating activities (A)	(9,10,74,412)	(58,16,45,662)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of Property, plant & equipment	(1,42,33,873)	(31,51,091)
Sale/ (Purchase) of investments	(4,83,278)	(3,00,10,488)
Net cash flow from investing activities (B)	(1,47,17,152)	(3,31,61,579)
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issue of equity share capital	5,00,55,200	27,06,00,000
Net proceeds from borrowings	(69,64,915)	34,15,93,537
Interest expense on lease liabilities	(1,57,957)	-
Net cash flow from financing activities (C)	4,29,32,328	61,21,93,537
Net cash flow during the year (A + B + C)	(6,28,59,236)	(26,13,704)
Add: Opening cash and cash equivalents	9,30,35,144	9,56,48,848
Closing cash and cash equivalents	3,01,75,908	9,30,35,144
Components of cash and cash equivalents		
Cash in hand	13,68,547	18,44,573
Balances with banks:		
In current accounts	2,88,07,361	9,11,90,571
Total cash and cash equivalents (Note 3)	3,01,75,908	9,30,35,144

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

As per our report of even date attached

FOR AJAY RATTAN & CO.,

CHARTERED ACCOUNTANTS,

FRN. 012063N

CA AJAY AGGARWAL

PARTNER

MEMBERSHIP NO: 090975

New Delhi, the 23rd day of June, 2020

For and on behalf of the Board of Directors of
IFL HOUSING FINANCE LIMITEDGopal Bansal
Managing Director
DIN: 01246420Sunita Bansal
Director
DIN: 02801660Prerna Matta Arora
CFO
PAN: BAMPM7263C

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2020**A. Equity Share Capital**

Balance as of 1st April 2018	Changes in equity share capital during the year	Balance as at 31st March 2019
18,05,00,000	27,06,00,000	45,11,00,000
Balance as of 1st April 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
45,11,00,000	4,81,30,000	49,92,30,000

B. Other Equity

Particulars	Reserve & Surplus			Equity Instruments through Other Comprehensive Income	Total
	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 Earnings		
Balances as at 1st April 2018	-	-	(21,49,384)	-	(21,49,384)
Profit/(loss) for the year	-	-	1,67,00,397	-	1,67,00,397
Other comprehensive income (net)					
Remeasurement of Investments carried at FVTOCI	-	-	-	27,213	27,213
Total other comprehensive income	-	-	-	27,213	27,213
Total Comprehensive Income	-	-	1,67,00,397	27,213	1,67,27,610
Provision in compliance with NHB Act	-	-	(14,86,050)	-	(14,86,050)
Appropriation to statutory reserves	57,39,013	-	(57,39,013)	-	-
Balance as at 31st March 2019	57,39,013	-	73,25,950	27,213	1,30,92,176
Balance as at 1st April 2019	57,39,013	-	73,25,950	27,213	1,30,92,176
Profit for the year	-	-	4,23,53,137	-	4,23,53,137
Other comprehensive income (net)					
Remeasurement of Investments carried at FVTOCI	-	-	-	3,98,781	3,98,781
Total other comprehensive income	-	-	-	3,98,781	3,98,781
Total Comprehensive Income	-	-	4,23,53,137	3,98,781	4,27,51,919
Provision in compliance with NHB Act	-	-	(19,08,011)	-	(19,08,011)
Appropriation to statutory reserves	76,78,396	-	(76,78,396)	-	-
Transfer on allotment of Equity shares	-	19,25,200	-	-	19,25,200
Balance as at 31st March 2020	1,34,17,409	19,25,200	4,00,92,681	4,25,994	5,58,61,283

Notes to the Ind AS financial statements

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FOR AJAY RATTAN & CO.,
CHARTERED ACCOUNTANTS,
FRN. 012063N

CA AJAY AGGARWAL
PARTNER
MEMBERSHIP NO: 090975

New Delhi, the 23rd day of June, 2020

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

Gopal Bansal
Managing Director
DIN: 01246420

Sunita Bansal
Director
DIN: 02801660

Prerna Matta Arora
CFO
PAN: BAMP7263C



IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

1. Corporate Information:

IFL HOUSING FINANCE LIMITED is a public company domiciled in India and registered under the provisions of Section 29A of The National Housing Bank Act, 1987. The company's primary business is to provide short term/ long term finance for housing whether directly or indirectly.

2. 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 Companies (Indian Accounting Standards) Rules, 2015. These are Company's first financial statements prepared in accordance with Ind AS and Ind AS 101 'First time adoption of Indian Accounting Standards' has been applied. An explanation and effect of transition from Indian GAAP (Referred to as "Previous GAAP") to Ind AS has been described in note 2(c) to these Ind AS financial statements.

(b) Basis for preparation of Ind AS financial statements:

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) First-Time Adoption of Ind AS

The Company has prepared its first Indian Accounting Standards (Ind AS) compliant financial statements for the periods commencing from April 1, 2019 with restated comparative figures for the year ended March 31, 2019 in compliance with the Ind AS. The Company has prepared these financial statements in accordance with Ind AS notified under Section 133 of the Companies Act, 2013. Accordingly, the Balance Sheet in line with Ind AS transitional provisions has been prepared as at April 1, 2018 i.e. the date of Company's transition to Ind AS.

Ind AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:

(i) Fair Value as Deemed Cost Exemption: -

The company has elected to measure items of property, plant & equipment and intangible assets at its carrying value at the transition date.

(ii) Investments in subsidiaries, joint ventures and associates: -

The company has elected to measure investment in subsidiaries, joint venture and associate at cost.

(iii) Classification & Fair value measurement of financial assets or financial liabilities at initial recognition: -

The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.

In accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', the Company has presented below reconciliations of net profit in accordance with 'previous GAAP' for the year ended March 31, 2019 and shareholders' funds as per 'previous GAAP' to equity under Ind AS as at March 31, 2019 and April 1, 2018.



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Reconciliations between previous GAAP and Ind AS(i) Reconciliation of total equity: -

Particulars	Notes	As at	
		March 31, 2019	April 1, 2018
Balance as per previous GAAP		1,81,97,103	(7,56,016)
<i>Adjustments:</i>			
Re-measurement of investments carried at FVTOCI (net of tax)	2(c)(iii)(a)	27,213	Nil
EIR based amortization of loan receivables	2(c)(iii)(b)	(99,36,227)	(19,30,408)
EIR based amortization of borrowings	2(c)(iii)(b)	28,26,030	Nil
Deferred tax adjustments of earlier years on transition		19,78,057	5,37,040
Balances as per Ind AS		1,30,92,176	(21,49,384)

(ii) Reconciliation of total comprehensive income: -

Particulars	Notes	Year ended March 31, 2019
Net profit as per Previous GAAP		2,04,39,169
<i>Adjustments:</i>		
EIR based amortization of loan receivables	2(c)(iii)(b)	(80,05,819)
EIR based amortization of borrowings	2(c)(iii)(b)	28,26,030
Deferred tax adjustments of earlier years on transition		14,41,017
Net Profit as per Ind AS		1,67,00,397
Re-measurement of investments carried at FVTOCI (net of tax)	2(c)(iii)(a)	27,213
Total Comprehensive Income as per Ind AS		1,67,27,610

(iii) Explanatory Note to the reconciliation: -

- a) Under the previous GAAP, investments in mutual funds were carried at cost, whereas under Ind AS investments in mutual funds are measured at fair value. Mutual fund investments are not held for trading and thereby are classified at Fair Value through Other Comprehensive Income (FVTOCI).
- b) Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs/incomes related to sourcing of loans/borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.



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(d) 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.

(e) 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.

(f) Property, plant and equipment

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

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

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

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

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

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



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between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss.

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

(g) Intangible assets and amortisation thereof

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five 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.

(a) Revenue recognition:

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

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

(b) 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 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).



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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**

Equity instruments, Debt Instruments and Mutual Fund: -In accordance with Ind-AS 109, the Company applies Expected Credit Loss model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

Other Financial Assets: - The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.



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(c) Cash & Cash equivalents

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

(d) 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 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 off-setting 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 the carry forward of unused tax credits 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid which is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

(e) 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



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balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

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

(f) Earnings Per Share

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.

(g) 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 credit related losses in its portfolio of loan items after individual allowances or write offs.

(h) Leases



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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 re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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.



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3. Cash and cash equivalents	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Cash on hand	13,68,547	18,44,573	2,08,841
Balance with banks:			
In current accounts	2,88,07,361	9,11,90,571	6,19,40,007
In fixed deposits (maturities less than 3 months)	-	-	3,35,00,000
	<u>3,01,75,908</u>	<u>9,30,35,144</u>	<u>9,56,48,848</u>
4. Receivables	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Considered good - unsecured			
Trade Receivables	-	-	1,41,600
	<u>-</u>	<u>-</u>	<u>1,41,600</u>
5. Loans	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
In India (at Amortised Cost) (other than public sector):			
Housing loans (secured)	79,03,58,093	70,11,30,329	10,19,90,950
	<u>79,03,58,093</u>	<u>70,11,30,329</u>	<u>10,19,90,950</u>

5.1 The aforesaid term loans are secured housing loans given by the company against equitable mortgage of properties of the borrowers.

6. Investments	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
In India (at FVTOCI)			
In Mutual Funds	3,09,19,761	3,00,37,701	-
	<u>3,09,19,761</u>	<u>3,00,37,701</u>	<u>-</u>

7. Other financial assets	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Balances with banks in fixed deposits with maturities more than 12 months	2,00,00,000	-	-
Accrued interest on loan	87,96,480	56,79,772	23,06,103
Cash collateral	75,00,000	75,00,000	-
	<u>3,62,96,480</u>	<u>1,31,79,772</u>	<u>23,06,103</u>

8. Deferred tax assets (net)	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
At the start of the year	21,84,605	7,50,859	-
Credit/(charge) to the Statement of Profit and Loss	8,10,717	14,33,746	7,50,859
At the end of year	<u>29,95,321</u>	<u>21,84,605</u>	<u>7,50,859</u>

8.1 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.

8.2 The tax effect of significant timing differences that has resulted in deferred tax assets are given below:-

Particulars	For the year ended 31st March 2020 (Amount in Rupees)			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Property, plant and equipment	42,748	81,962	-	1,24,710
Preliminary expenses	1,63,800	(58,094)	-	1,05,706
Others	19,78,057	7,86,849	-	27,64,905
Total	<u>21,84,605</u>	<u>8,10,717</u>	<u>-</u>	<u>29,95,321</u>



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(note 8 contd...)

Particulars	For the year ended 31st March 2019 (Amount in Rupees)			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Property, plant and equipment	2,13,819	(1,71,071)	-	42,748
Preliminary expenses	-	1,63,800	-	1,63,800
Others	5,37,040	14,41,017	-	19,78,057
Total	7,50,859	14,33,746	-	21,84,605

10. Other intangible assets

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
<u>Carrying amount: -</u>			
Software	59,94,910	1,93,150	2,41,438
Sub-total	59,94,910	1,93,150	2,41,438
Intangible assets under development (software)	2,75,000	25,32,203	10,50,000
Total	62,69,910	27,25,353	12,91,438

	Software (Rupees)
<u>Cost or Deemed Cost: -</u>	
Balance as at 1st April 2018	2,42,500
Additions during the year	-
Balance as at 31st March 2019	2,42,500
Additions during the year	68,32,203
Assets disposal/	-
Balance as at 31st March 2020	70,74,703

<u>Accumulated Depreciation: -</u>	
Balance as at 1st April 2018	1,062
Charge for the year	48,288
Balance as at 31st March 2019	49,350
Charge for the year	10,30,443
Balance as at 31st March 2020	10,79,793

<u>Carrying amount: -</u>	
Balance as at 1st April 2018	2,41,438
Balance as at 31st March 2019	1,93,150
Balance as at 31st March 2020	59,94,910

11. Other non- financial assets

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Capital advances to related parties (Note 23)	2,50,00,000	-	-
<u>Advances other than capital advances: -</u>			
Security deposits	6,57,328	1,70,328	1,03,000
Advances to suppliers	9,56,745	5,12,282	5,00,000
Advance to employees	2,44,000	-	-
Prepaid expenses	5,94,181	22,599	-
Receivable from authorities (net)	-	-	2,91,725
Other assets	-	-	1,00,136
	2,74,52,254	7,05,209	9,94,861

12. Payables

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
<u>Trade payables</u>			
- total outstanding dues of micro enterprises and small enterprises (Note 24)	15,871	-	10,620
- total outstanding dues of other than micro enterprises and small enterprises	4,46,082	1,60,449	6,59,493
	4,61,953	1,60,449	6,70,113



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9. Property, plant and equipment:

				As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
<u>Carrying amount: -</u>						
Office Premises (Right of Use asset) (Note 9.2)				37,54,368	-	-
Furniture and fixtures				11,59,254	3,56,630	2,86,980
Vehicles				11,95,264	6,78,782	57,267
Office Equipments				8,74,650	6,66,875	5,41,371
Computers				7,15,567	4,90,702	4,10,711
Total				76,99,103	21,92,989	12,96,329
	<u>Office Premises (Rupees)</u>	<u>Furniture & fixtures (Rupees)</u>	<u>Vehicles (Rupees)</u>	<u>Office equipments (Rupees)</u>	<u>Computers (Rupees)</u>	<u>Total (Rupees)</u>
<u>Cost or Deemed Cost: -</u>						
Balance as at 1st April 2018	-	3,29,549	71,143	6,25,933	4,63,469	14,90,094
Additions during the year	-	1,58,139	7,62,529	3,10,219	4,38,001	16,68,888
Balance as at 31st March 2019	-	4,87,688	8,33,672	9,36,152	9,01,470	31,58,982
Additions during the year	62,17,092	10,81,381	10,00,557	4,94,048	8,65,795	96,58,873
Balance as at 31st March 2020	62,17,092	15,69,069	18,34,229	14,30,200	17,67,265	1,28,17,855
<u>Accumulated Depreciation: -</u>						
Balance as at 1st April 2018	-	42,569	13,876	84,562	52,758	1,93,765
Charge for the year	-	88,489	1,41,014	1,84,715	3,58,010	7,72,228
Balance as at 31st March 2019	-	1,31,058	1,54,890	2,69,277	4,10,768	9,65,993
Charge for the year	24,62,725	2,78,757	4,84,075	2,86,273	6,40,930	41,52,760
Balance as at 31st March 2020	24,62,725	4,09,815	6,38,965	5,55,550	10,51,698	51,18,753
<u>Carrying amount: -</u>						
Balance as at 1st April 2018	-	2,86,980	57,267	5,41,371	4,10,711	12,96,329
Balance as at 31st March 2019	-	3,56,630	6,78,782	6,66,875	4,90,702	21,92,989
Balance as at 31st March 2020	37,54,368	11,59,254	11,95,264	8,74,650	7,15,567	76,99,103

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.



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13. Borrowings (other than debt securities)

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
<u>In India (at Amortized Cost)</u>			
Term loans (secured)			
- from banks	24,77,12,633	17,63,27,728	-
- from other non-banking financial institutions	11,03,28,325	18,86,78,145	-
Loans from related parties (unsecured)	-	-	2,34,12,336
	<u>35,80,40,958</u>	<u>36,50,05,873</u>	<u>2,34,12,336</u>

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 NBFCs 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.

14. Other financial liabilities

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Interest accrued on loan	3,95,761	6,97,314	-
Insurance of loan applicant	7,86,140	9,38,409	9,00,213
Other expenses payable	28,72,073	52,57,174	10,80,600
Lease liability (Note 9.2)	39,92,050	-	-
	<u>80,46,024</u>	<u>68,92,897</u>	<u>19,80,813</u>

15. Provisions

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Provisions on standard assets	21,60,805	19,01,736	4,15,686
Provisions on sub-standard assets	7,72,857	-	-
Provisions on doubtful assets	8,76,085	-	-
	<u>38,09,747</u>	<u>19,01,736</u>	<u>4,15,686</u>

16. Other non financial liabilities

	As at 31st March 2020 (Rupees)	As at 31st March 2019 (Rupees)	As at 1st April 2018 (Rupees)
Payable to authorities (net)	9,15,438	10,99,697	-
Security deposits	1,70,274	-	-
	<u>10,85,712</u>	<u>10,99,697</u>	<u>-</u>

17. Equity share capital

	As at 31st March 2020 Nos.	(Rupees)	As at 31st March 2019 Nos.	(Rupees)	As at 1st April 2018 Nos.	(Rupees)
Authorized shares						
Equity shares of Rs. 10 each with voting rights	6,00,00,000	60,00,00,000	5,00,00,000	50,00,00,000	2,50,00,000	25,00,00,000
Issued, subscribed and fully paid- up shares	4,99,23,000	49,92,30,000	4,51,10,000	45,11,00,000	1,80,50,000	18,05,00,000

17.1 Reconciliation of number of equity shares and amount outstanding

	As at 31st March 2020 Nos.	(Rupees)	As at 31st March 2019 Nos.	(Rupees)	As at 1st April 2018 Nos.	(Rupees)
<u>Equity Shares</u>						
- At the beginning of the period	4,51,10,000	45,11,00,000	1,80,50,000	18,05,00,000	1,05,00,000	10,50,00,000
- Issued during the year (Right Issue)#	48,13,000	4,81,30,000	2,70,60,000	27,06,00,000	75,50,000	7,55,00,000
Total Outstanding at the end of the period	<u>4,99,23,000</u>	<u>49,92,30,000</u>	<u>4,51,10,000</u>	<u>45,11,00,000</u>	<u>1,80,50,000</u>	<u>18,05,00,000</u>

#The Company allotted equity shares of Rs. 10 each at par pursuant to the scheme of right issue during the relevant FY(s) as specified above.

17.2 Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs. 10 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.

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

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	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
India Finsec Limited	3,97,15,000	79.55%	3,94,95,000	87.55%	1,72,00,000	95.29%

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

	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
India Finsec Limited	3,97,15,000	79.55%	3,94,95,000	87.55%	1,72,00,000	95.29%
Mr. Gopal Bansal	53,88,000	10.79%	33,55,000	7.44%	-	0.00%
Mrs. Sunita Bansal	29,40,000	5.89%	9,00,000	2.00%	-	0.00%

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

18. Other Equity

	As at 31st March 2020		As at 31st March 2019	
	(Rupees)		(Rupees)	
<u>Statutory Reserve</u>				
(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	57,39,013		-	
Add: Transferred during the year	76,78,396		57,39,013	
Net Balance of Special Reserve		1,34,17,409		57,39,013
<u>Securities Premium</u>				
Opening balance	-		-	
Add: addition/(deletion) during the year	19,25,200		-	
Closing balance		19,25,200		-
<u>Retained earnings</u>				
Opening balance	73,25,950		(21,49,384)	
Add: Profit/(loss) for the year	4,23,53,137		1,67,00,397	
Less: Provision for Standard Assets as per NHB Act, 1987	(19,08,011)		(14,86,050)	
Less: Appropriation to Statutory reserve	(76,78,396)		(57,39,013)	
Closing balance		4,00,92,681		73,25,950
<u>Equity instruments through other comprehensive income</u>				
Opening balance	27,213		-	
Add: addition/(deletion) during the year	3,98,781		27,213	
Closing balance		4,25,994		27,213
		<u>5,58,61,283</u>		<u>1,30,92,176</u>

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.

19. Revenue from operations

	For the year ended on 31st March 2020 (Rupees)	For the year ended on 31st March 2019 (Rupees)
Interest income (amortised cost)		
- on loans	13,28,15,795	5,46,15,024
- on cash collateral	5,24,818	7,427
- on fixed deposits	2,20,059	10,61,408
Processing & other fee	1,38,94,885	1,05,24,091
Surplus from deployment in cash management scheme of Mutual Fund	42,69,216	5,63,689
	15,17,24,773	6,67,71,639



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20. Finance cost	For the year ended on 31st March 2020 (Rupees)	For the year ended on 31st March 2019 (Rupees)
<u>On financial liabilities measured at amortised cost</u>		
- Interest on borrowings	4,18,15,252	96,71,590
- Interest expense on lease liabilities (Note 9.2)	1,57,957	-
	4,19,73,209	96,71,590
21. Employee benefits expenses	For the year ended on 31st March 2020 (Rupees)	For the year ended on 31st March 2019 (Rupees)
Director remuneration	-	22,75,000
Salaries and wages	2,61,90,300	1,43,56,411
Contribution to provident and other funds	12,85,167	4,70,848
Staff welfare expenses	5,21,546	1,57,704
Other employee benefits	12,45,540	9,71,838
	2,92,42,553	1,82,31,801
22. Other expenses	For the year ended on 31st March 2020 (Rupees)	For the year ended on 31st March 2019 (Rupees)
Advertisement expenses	1,94,457	1,61,372
<u>Payments to Auditors</u>		
- for statutory audit	1,45,000	45,000
Car insurance	41,561	10,858
Commission expenses	10,99,476	20,71,066
Conveyance expenses	14,74,910	8,06,366
Documentation & stamp charges	1,21,476	7,57,120
Fee & subscriptions	15,71,549	28,57,271
GST reversal u/s 42	18,06,343	11,22,575
Interest on government dues	4,57,982	2,514
Legal & technical charges	13,08,810	12,70,850
Branch opening expenses	79,349	-
Professional charges	26,20,897	15,91,477
Rent expenses	9,27,750	15,19,000
Software expenses	9,800	10,50,000
Tour & travelling expenses	6,02,911	1,44,146
Valuation report charges	14,84,301	12,79,800
Other expenses	67,90,816	15,45,666
	2,07,37,387	1,62,35,081



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23. Related parties: -

As per IND AS 24, the disclosures of transactions with the related parties are given below: -

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

(i)	Holding Company	India Finsec Limited
(ii)	Key Management Personnel	Mr. Gopal Bansal (Managing Director) Ms. Sunita Bansal (Director) Mr. Arvinder Singh (Director) Mr. Saurabh Chhabra (Director) Ms. Purva Mangal (Director) Mr. Gaurav Suri (Director) Ms. Prerna Matta Arora (CFO) Ms. Varsha Bharti (Company Secretary)
(iii)	Relatives of Key Management Personnel	Gopal Bansal HUF Ms. Kriti Suri

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

	Transaction with	Nature of Transaction	Transactions during the year		Balances as at	
			31/03/2020 (Rs.)	31/03/2019 (Rs.)	31/03/2020 (Rs.)	31/03/2019 (Rs.)
(i)	<u>Holding Company: -</u>					
	India Flnsec Limited	Interest paid	Nil	29,36,987	Nil	Nil
		Loan taken	Nil	15,33,00,000	Nil	Nil
		Loan repaid	Nil	17,67,12,336	Nil	Nil
		Allotment of equity shares	22,88,0000	Nil	Nil	Nil
(ii)	<u>Key Managerial Personnel: -</u>					
	Mr. Gopal Bansal	Director remuneration	4,83,333	6,00,000	1,00,000	Nil
		Interest paid	Nil	10,520	Nil	Nil
		Loan taken	Nil	32,00,000	Nil	Nil
		Loan repaid	Nil	32,00,000	Nil	Nil
		Allotment of equity shares	2,11,43,200	Nil	Nil	Nil
	Ms. Sunita Bansal	Rent paid	4,50,000	4,56,950	Nil	6,950
		Director remuneration	10,00,000	8,25,000	1,00,000	Nil
		Advance given	2,10,00,000	41,00,000	1,25,00,000	Nil
		Advance received back	85,00,000	41,00,000	Nil	Nil



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		Allotment of Equity share	2,12,16,000	Nil	Nil	Nil
	Mr. Gaurav Suri	Director remuneration	11,25,172	7,80,000	Nil	Nil
		Allotment of equity share capital	13,00,000	Nil	Nil	Nil
	Ms. Prerna Matta Arora	Salary	11,93,296	7,59,387	76,474	Nil
	Ms. Varsha Bharti	Salary	5,37,466	4,14,862	46,597	41,435
(iii)	Relatives of Key Management Personnel: -					
	Ms. Kriti Suri	Salary	7,00,000	2,77,740	70,000	Nil
		Allotment of equity shares	22,36,000	Nil	Nil	Nil
	Gopal Bansal HUF	Rent paid	4,50,000	4,56,950	Nil	6,950
		Allotment of Equity shares	18,72,000	Nil	Nil	Nil
		Advance given	1,25,00,000	41,00,000	1,25,00,000	Nil
		Advance received back	Nil	41,00,000	Nil	Nil

24. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

Particulars	31/03/2020	31/03/2019	1/04/2018
Principal amount due remaining unpaid	15,871	Nil	10,620
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



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25. Additional Disclosures In Terms of NHB Guidelines**25.1 Capital**

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
CRAR (%)	124.38%	132.89%	396.90%
CRAR-Tier I Capital (%)	123.89%	132.35%	395.97%
CRAR-Tier II Capital (%)	0.49%	0.55%	0.93%
Amount of subordinated debt raised as Tier-II Capital	-	-	-
Amount raised by issue of Perpetual Debt instruments	-	-	-

25.2 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
<u>Balance at the beginning of the year</u>			
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	5,739,013	-	-
Total	5,739,013	-	-
<u>Addition/Appropriation/Withdrawal during the year</u>			
<u>Add:</u>			
a) Amount transferred u/s 29C of the 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 under Section 29C of the NHB Act, 1987	7,678,396	5,739,013	-
<u>Less:</u>			
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	-	-	-
<u>Balance at the end of the year</u>			
a) Statutory reserve u/s 29C of the National Housing Bank 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 the NHB Act, 1987	13,417,409	5,739,013	-
Total	13,417,409	5,739,013	-



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25.3 Investments

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
Value of Investments			
(i) Gross value of investments			
(a) In India	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	30,919,761	30,037,701	-
(b) Outside India	-	-	-
Movement of provision held towards depreciation on investments			
(i) Opening balance	Not Applicable	Not Applicable	Not Applicable
(ii) Add: Provisions made during the year	Not Applicable	Not Applicable	Not Applicable
(iii) Less: Write-off / written-bank of excess provisions during the year	Not Applicable	Not Applicable	Not Applicable
(iv) Closing balance	Not Applicable	Not Applicable	Not Applicable

25.4 Derivatives**25.4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
(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
(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.

25.4.2 Exchange Traded Interest Rate (IR) Derivative

Particulars	(Amount in Rupees) 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 2020 (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



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25.4.3 Disclosures on Risk Exposure in Derivatives**A. Qualitative Disclosure**

Company has no exposure in Derivatives. Hence Clause 25.4.3 is not Applicable

B. Quantitative Disclosure**Particulars****Currency
Derivatives***(Amount in Rupees)***Interest Rate
Derivatives**

- (i) Derivatives (Notional Principal Amount)
- (ii) Marked to Market Positions [1]
 - (a) Assets (+)
 - (b) Liability (-)
- (iii) Credit Exposure [2]
- (iv) Unhedged Exposures

Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

25.5 Securitisation**25.5.1 Particulars***(Amount in Rupees)***Amount**

- 1. No of SPVs sponsored by the HFC for securitisation transactions
- 2. Total amount of securitised assets as per books of the SPVs sponsored
- 3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet
 - (I) Off-balance sheet exposures towards credit enhancements
 - (II) On-balance sheet exposures towards credit enhancements
- 4. Amount of exposures to securitisation transactions other than MRR
 - (I) Off-balance sheet exposures towards credit Enhancements
 - a) Exposure to own securitizations
 - b) Exposure to third party securitisations
 - (II) On-balance sheet exposures towards credit enhancements
 - a) Exposure to own securitisations
 - b) Exposure to third party securitisations

Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

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

25.5.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**Particulars****For the year ended
on****For the year
ended on***(Amount in Rupees)*
**For the year ended
on**

- (i) No. of accounts
31st March 2020
Not Applicable
- (ii) Aggregate value (net of provisions) of
accounts sold to SC / RC
Not Applicable
- (iii) Aggregate consideration
Not Applicable
- (iv) Additional consideration realized in
respect of accounts transferred in earlier
years
Not Applicable
- (v) Aggregate gain / loss over net book value
Not Applicable

31st March 2019
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

1st April 2018
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

25.5.3 Details of Assignment transactions undertaken by HFCs**Particulars****For the year ended
on****For the year
ended on***(Amount in Rupees)*
**For the year ended
on**

- (i) No. of accounts
31st March 2020
Not Applicable
- (ii) Aggregate value (net of provisions) of
accounts assigned
Not Applicable
- (iii) Aggregate consideration
Not Applicable
- (iv) Additional consideration realized in
respect of accounts transferred in earlier
years
Not Applicable
- (v) Aggregate gain / loss over net book value
Not Applicable

31st March 2019
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

1st April 2018
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable



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25.5.4 Details of non-performing financial assets purchased / sold**A. Details of non-performing financial assets purchased:**

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
1. (a) No. of accounts purchased during the year	-	-	-
(b) Aggregate outstanding	-	-	-
2. (a) Of these, number of accounts restructured during the year	-	-	-
(b) Aggregate outstanding	-	-	-

B. Details of Non-performing Financial Assets sold:

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
1. No. of accounts sold	-	-	-
2. Aggregate outstanding	-	-	-
3. Aggregate consideration received	-	-	-

25.6 Exposure**25.6.1 Exposure to Real Estate Sector**

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
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; (Individual housing loans up to 15 lakh may be shown separately)	-	-	-
(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;	-	-	-
(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)	-	-	-



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25.6.2 Exposure to Capital Market

(Amount in Rupees)

Particular	For the year ended on 31st March 2020	For the year ended on 31st March 2019	For the year ended on 1st April 2018
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
Total Exposure to Capital Market	-	-	-

25.6.3 Details of financing of parent company products

As the parent company is NBFC, no financing of parent company products is done.

25.6.4 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).

25.6.5 Unsecured Advances

None of the Advances of Company are reckoned as unsecured.

26 Miscellaneous**26.1 Registration obtained from other financial sector regulators**

Company has taken registration under the FIU-IND (Financial Intelligence Unit of India) during the year.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**26.2 Disclosure of Penalties imposed by NHB and other regulators**

No penalty has been imposed on Company by NHB and other regulators.

26.3 Related party Transactions

Detailed information furnished under Note No. 23

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

CARE rating agency has rated the Company "BB+" Stable (Double B Plus; Outlook : Stable) during the year for proposed Long-term Bank Facilities up to a limit of Rs. 50 crores. The validity of this rating is upto 6th of february, 2020. However, the Company has applied for further appraisal and is awaiting response.

26.5 Remuneration of Directors

Detailed information furnished under Notes to Accounts (please refer Note No. 23)

26.6 Management

As provided in Board of Directors' Report.

26.7 Net Profit or Loss for the period, prior period items and changes in accounting policies**Particulars***(Amount in Rupees)*

Net Profit for the period (before tax)

54,588,421

Prior Period Items

Nil

Changes in Accounting Policies

Nil

26.8 Revenue Recognition

There is no deferment of revenue recognition.

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

Not Applicable.

- 26.10** The world witnesses the outbreak of the Novel Corona Virus (COVID-19), an infectious disease which World Health Organisation declared as a global pandemic. The disease engulfed the entire globe, leading to loss of human lives in millions and economic losses in trillions. India responded to this crises with a nationwide lockdown with effect from 24 March, 2020 which continues in major cities across the country. The extent to which this pandemic will impact the business and financial results of the Company, at this point of time, depends on future developments which are highly uncertain.
- The RBI on March 27, 2020; April 17, 2020; May 6, 2020 and May 23, 2020 announced 'COVID- 19 Regulatory Package' on asset classification and provisioning. In terms of the guidelines given in the aforesaid RBI circulars, the company has offered a moratorium option to its borrowers whose accounts are standard as on 29th Feb, 2020, from payments of installments falling due between 01st March 2020 to 31st August 2020. As such, in respect of all accounts classified as standard as on 29th February 2020, even if overdue, the moratorium period, wherever granted, has been excluded from the number of days past-due for the purpose of asset classification under Regulatory Income Recognition and Asset Classification norms (IRAC) as of March 31, 2020.
- The company has opted for dispensation of spreading the provisions over two quarters.

27 Additional Disclosures**27.1 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 on 31st March 2020	For the year ended on 31st March 2019	For the year ended on 1st April 2018
1. Provisions for depreciation on investment	-	-	-
2. Provision made towards Income tax	13,046,000	6,546,000	387,540
3. Provision towards NPA	-	-	-
4. Provision for Standard assets (with details like teaser loan, CRE, CRE-RH etc.)	2,160,805	1,901,736	415,686
5. Provision for Sub-standard assets	772,857	-	-
6. Provision for Doubtful assets	876,085	-	-
7. Other Provision and Contingencies (with details)	-	-	-



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(Amount in Rupees)

27.1 Break up of Loan & Advances and Provisions thereon	For the year ended on 31st March 2020		Housing For the year ended on 31st March 2019		For the year ended on 1st April 2018	
	Housing Loan	Non- Housing Loan	Housing Loan	Non- Housing Loan	Housing Loan	Non- Housing Loan
Standard Assets						
a) Total Outstanding Amount	663,952,362	117,914,032	619,104,880	82,025,449	99,136,816	2,854,134
b) Provisions made	1,683,954	476,851	1,570,067	331,669	404,068	11,618
Sub-Standard Assets						
a) Total Outstanding Amount	5,054,032	-	-	-	-	-
b) Provisions made	772,857	-	-	-	-	-
Doubtful Assets - Category-I						
a) Total Outstanding Amount	3,437,667	-	-	-	-	-
b) Provisions made	876,085	-	-	-	-	-
Doubtful Assets - Category-II						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Doubtful Assets - Category-III						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Loss Assets						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-

NOTE: The company is doing the business of Housing finance only.

27.2 Draw Down from Reserves
Company has not drawn any amount from reserves.

27.3 Concentration of Public Deposits, Advances, Exposures and NPAs

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

(Amount in Rupees)

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	For the year ended on 1st April 2018
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

27.3.2 Concentration of Loans & Advances

(Amount in Rupees)

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	For the year ended on 1st April 2018
Total loans & advances to twenty largest borrowers	98,649,479	126,721,954	45,800,921
Percentage of loans & advances of twenty largest borrowers to total advances of the HFC	12.48%	18.07%	44.91%



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**27.3.3 Concentration of all Exposure (including off-balance sheet exposure)**

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
Total exposure to twenty largest borrowers/customers	98,649,479	126,721,954	45,800,921
Percentage of exposures of twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	12.48%	18.07%	44.91%

27.3.4 Concentration of NPAs

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
Total exposure to top ten NPA accounts	8,491,699	Nil	Nil

27.3.5 Sector-wise NPAs

Sector	(Amount in Rupees) Percentage of NPAs to Total Advances in that sector
A. Housing Loans:	
1. Individuals	1.26%
2. Builders/Project Loans	Nil
3. Corporates	Nil
4. Others (specify)	Nil
B. Non-Housing Loans:	
1. Individuals	Nil
2. Builders/Project Loans	Nil
3. Corporates	Nil
4. Others (specify)	Nil

27.4 Movement of NPAs

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
(I) Net NPAs to Net Advances (%)	0.87%	-	-
(II) Movement of NPAs (Gross)			
a) Opening balance	-	-	-
b) Additions during the year	15,233,381.00	-	-
c) Reductions during the year	6,741,682.00	-	-
d) Closing balance	8,491,699.00	-	-
(III) Movement of Net NPAs			
a) Opening balance	-	-	-
b) Additions during the year	12,910,892.90	-	-
c) Reductions during the year	6,068,136.20	-	-
d) Closing balance	6,842,756.70	-	-
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	-	-	-
b) Provisions made during the year	2,322,488.10	-	-
c) Write-off/write-back of excess provisions	673,545.80	-	-
d) Closing balance	1,648,942.30	-	-



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

27.5 Overseas Assets

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	(Amount in Rupees) For the year ended on 1st April 2018
Overseas Assets	-	-	-

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

Name of the SPV sponsored	Domestic Not Applicable	Overseas Not Applicable
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28 Disclosure of Complaints**26.1) Customers Complaints**

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019	For the year ended on 1st April 2018
a) No. of complaints pending at the beginning of the year	-	-	-
b) No. of complaints received during the year	-	1	-
c) No. of complaints redressed during the year	-	1	-
d) No. of complaints pending at the end of the year	-	-	-

29 Pursuant to the refinancing arrangement with NHB, the Company has provided a non-disposal undertaking from the Promoter Entity with respect to their shareholdings in the Company, personal guarantee from Managing Director of the Company Mr. Gopal Bansal and corporate guarantee from India Finsec Limited (promoter entity).

30 The Company has received a letter dated May 27, 2020, from the National Housing Bank containing observations emanating from the inspection carried out by NHB, for the purpose of refinance under LIFT and Regular Scheme, as per the provisions of the National Housing Bank Act, 1987. NHB has directed the Company to provide a specific response to all the observations within a period of 7 days. The management partially concur with the observation of the NHB and provided an appropriate response within the stipulated time. In view of these financial statements being prepared using Indian Accounting Standards (Ind AS) while the NHB observations relate to numbers compiled on the basis of regulatory guidelines, the Management believes that the aforesaid observations may not have any implications on the financial statements.

31 Appointment of Ms. Gunjan Jain as the Principal Officer of the Company under NHB Regulations, 1987 and Financial Intelligence Unit (FIU) IND.



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NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

32. Particulars	31/03/2020 (Rs.)	31/03/2019 (Rs.)
Foreign currency earnings, expenditures and outgo	Nil	Nil
33. Particulars	31/03/2020 (Rs.)	31/03/2019 (Rs.)
Contingent liabilities not provided for	Nil	Nil

34. The Ind AS financial statements were approved for issue by the Board of Directors on 23rd day of June, 2020.

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

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

Signed for the purpose of Identification

FOR AJAY RATTAN & CO.,
CHARTERED ACCOUNTANTS
FRN. 012063N

CA AJAY AGGARWAL
Partner
Membership No. 090975

New Delhi, the 23rd day of June, 2020



For and on behalf of Board of Directors of
IFL Housing Finance Limited

Gopal Bansal
Managing Director
DIN: 01246420

Sunita Bansal
Director
DIN: 02801660

Prerna
Prerna Matta Arora
CFO
PAN: BAMP7263C

