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# ***ANNUAL REPORT 2018-19***

**IFL HOUSING FINANCE LIMITED**

**R.O. D-16, First Floor, Above ICICI Bank Prashant Vihar, Sector-  
14, Rohini New Delhi 110085**

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# **CHAIRMAN'S MESSAGE**

**Dear Shareholders,**

I am happy to welcome you to **the 4<sup>th</sup> Annual General Meeting of IFL Housing Finance Limited**. Thank you for your presence here today, and for your continued support to the success of our company.

Our company registered with National Housing Bank and our organization is focused on providing financing products to the lower and middle income (LMI) segments in India.

Our Company has established a strong foundation and has been active in the housing finance sector in India and is focused on providing financing products to the lower and middle income (LMI) segments in India, primarily in. Company has aligned its business strategies to better identify the needs of customers in the LMI segment and accurately estimate their income and repayment capabilities.

In this Year, IFL Housing Finance Limited has obtained credit rating to BB+ by domestic credit rating agency.

Your Company has one head office in Delhi and five branch offices in Jaipur, Karnal, Chittorgarh, Alwar and Indore. The Company is growing by meeting and exceeding the needs and expectations of customers and focusing one's effort on delivering increased customer value and is planning to open more branches all over India.

During the year, Company has taken the term loan from the various Banks and financial institutions like AU Small Finance Bank Limited, Eclear Leasing & Finance Private Limited, State Bank of India, MAS Financial Services Limited, MAS Rural Housing & Mortgage Finance Limited and Hinduja Housing Finance amounting to Rs. 3.00 Crores, Rs. 5.00 Crores, Rs. 15 Crores, Rs. 6 Crores, Rs. 4 crores and Rs. 4 Crore respectively. It will help in the strengthening the performance and growth of the company.

During the Financial Year 2018-19, your company recorded revenue of Rs. 7, 31,52,361 as compared to previous year's revenue of Rs. 36,89,191 resulted in a profit of Rs. 2,04,39,169 as compared to previous year's loss of Rs. 3,44,069 in the financial year 2017-18. With your ongoing support, we are confident that, this figure will continue to increase in near future. Your Company has once again, delivered strong results despite volatile external environment. The Company has developed strong internal systems and processes to withstand market volatility.

Our Corporate Governance practices are a reflection of our value system encompassing our culture, policies and relationships with stakeholders. Integrity and transparency are key to our Corporate Governance practice to ensure that we gain and retain trust of our stakeholder at all times. We also endeavour to enhance long term shareholder value in our business decision.

PMAY Scheme is an initiative provided by the Government of India which aims at providing affordable housing to the urban poor. The mission is to provide housing for all by the year 2022. Credit Linked Subsidy Scheme (CLSS) under PMAY makes the home loan affordable as the subsidy provided on the interest component reduces the outflow of the customer on the home loan. The subsidy amount under the scheme largely depends on the category of income that a customer belongs to and the size of the property unit being financed.

Housing finance growth is set to slow down to 13-15 per cent this fiscal, lower than the average of the past three years, due to the lingering liquidity issues faced by non-banking lenders, warns a report. There can also be an adverse impact on the outstanding housing credit, which stood at Rs 19.1 trillion as of March 2019. We expect housing credit growth in FY20 to be in the range of 13-15 per cent which is lower than the last three years when it clipped past 17 per cent.

The overall industry loan growth for housing finance companies had slowed down to 15 per cent for FY18.

We are focusing our efforts towards increasing our housing finance portfolio. To highlight our Company's achievements, we witnessed comprehensive progress on all fronts. We acquired 497 new customers and made a total disbursements in the financial year 2018-19 was Rs. 66.46 crores as against Rs. 10.88 crores during the previous year 2017-18. The customer and employee satisfaction have always been important for our organisation. Our Vision is to become first choice Housing Finance Company among individuals from EWS or low income category.

To summarize, 2018-19 has been a year of good progress for our company. We have a stronger structured organization that positions us well to continue executing our strategy over the coming years.

I would also like to take this opportunity to thank all our employees, customers and stakeholders that work and support and whose contribution has helped us to make and achieve the set targets of the company further look forward to the continued support of all them in taking the Company forward on the journey of sustainable and profitable growth..

**Thanking you,  
With Best Wishes,**

**Sd/-  
Gopal Bansal  
Managing Director**

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## 4<sup>TH</sup> ANNUAL GENERAL MEETING

Date: Monday, August 26, 2019 | Time: 12:00 p.m.

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

# **CORPORATE INFORMATION**

## **Committees of Board of Directors**

### **• Audit Committee**

Mr. Arvinder Singh -Chairperson  
Mr. Gopal Bansal -Member  
Mr. Saurabh Chhabra –Member  
Ms. Varsha Bharti-Secretary

### **• Nomination and Remuneration Committee**

Mr. Arvinder Singh - Chairperson  
Mr. Saurabh Chhabra – Member  
Mr. Basant Mittal- Member

### **• Risk Management Committee**

Mr. Gopal Bansal- Chairman & Managing Director  
Mr. Arvinder Singh - Member  
Mr. Saurabh Chhabra – Member  
Mr. Basant Mittal- Member  
Mrs. Jaspreet Kaur Nagi- Risk Officer

### **• Asset Liability Committee**

Mr. Gopal Bansal- Chairperson  
Mr. Gaurav Suri- Member  
Mrs. Perna Matta Arora - Member  
Ms. Priyanka Gupta - Member

## **Chief Financial Officer**

Mrs. Perna Matta Arora

## **Grievance Redressal Officer**

Mr. Gaurav Suri

## **Company Secretary**

Ms. Varsha Bharti

## **Registered Office & Corporate Office**

D-16, Ist Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, Delhi-110085  
Tel: 011-47096097

Email:

[info@iflhousingfinance.com](mailto:info@iflhousingfinance.com) Website:

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

## **Statutory Auditors**

M/s Ajay Rattan & Co., Chartered Accountants  
1113, 11<sup>th</sup> Floor, Arunachal Building, Barakhamba Road,  
New Delhi-110001  
E Mail: [ajay@ajayrattanco.com](mailto:ajay@ajayrattanco.com)

## **Bankers**

ICICI Bank  
IDBI Bank  
HDFC Bank  
AU Small Finance Bank  
State Bank of India

## BUSINESS & OPERATIONAL OVERVIEW OF THE COMPANY

### Business Overview

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

Your Company has aligned its business strategies to better identify the needs of customers in the LMI segment and accurately estimate their income and repayment capabilities. Moreover, your Company has created separate business verticals for housing loans. This allows each vertical to focus on its core business and use its expertise to offer flexible products that suit its customers' needs. An extensive distribution network, backed by focused marketing and sales initiatives, ensures a strong brand recall for its products, which find special appeal among first time buyers and end users.

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

### Disbursements

Your Company has adopted decentralised process for loan approval with varying approval limits. Approvals of lending proposals are carried out by authorized credit manager up to the limits delegated. Approvals beyond certain limits are referred to the senior credit managers. Larger proposals, as appropriate, are referred to the directors.

The company has opened six new branch offices in Delhi, Jaipur, Karnal, Chittorgarh, Alwar and Indore & disbursements made in the above cities of the amount of Rs. 40,32,55,470.0, 16,44,36,424.0, 7,07,13,054.0, 97,98,519.0, 1,24,47,070.0 and 39,58,343.0 respectively.

### Credit and Operational Strengths

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

### Risk Management

Your Company has a well-defined risk governance structure which includes periodic reviews and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders. IFL HOUSING FINANCE LIMITED has a clearly defined risk management policy that lays down guidelines for all operational areas and has established Risk Management Committee. Comprehensive annual risk review exercises go towards continually updating the risk management

policy. The policy defines role of the Company's Risk Management Committee which oversees all aspects of the business, especially credit underwriting.

The Government's initiative under "Housing For All by 2022" has heralded a new era in the housing sector. It is expected to deliver the much-needed boost to the real estate and housing finance industry by creating an enabling and supportive environment for expanding credit flow and increasing home ownership.. Related developments which your company sees as positive to spur growth particularly for lower and middle income people - the common man as is normally referred to, will come from programmes like Make in India and Skills India which are expected to provide additional employment opportunities. A favorable monsoon Season will be a major factor to uplift the rural economy and will see overall market sentiment turning positive with strong measures to keep inflation under check having paved positive results, the benefit of transmitting the gains in respect of interest rate is expected to gather momentum going forward. Interest rates are thus expected to maintain a south ward bias in its movement, benefiting the retail borrower category, which is the most attractive and growing market for lenders.

## RAISING OF FUNDS

During the year, Company raised fresh term Loan from AU Small Finance Bank Limited, Eclear Leasing & Finance Private Limited, State Bank of India, MAS Financial Service Limited and Hinduja Housing Finance of Rs. 3.00 Crore, Rs. 5.00 Crore Rs.15 Crore, Rs.10Crore and Rs. 4 Crore respectively.

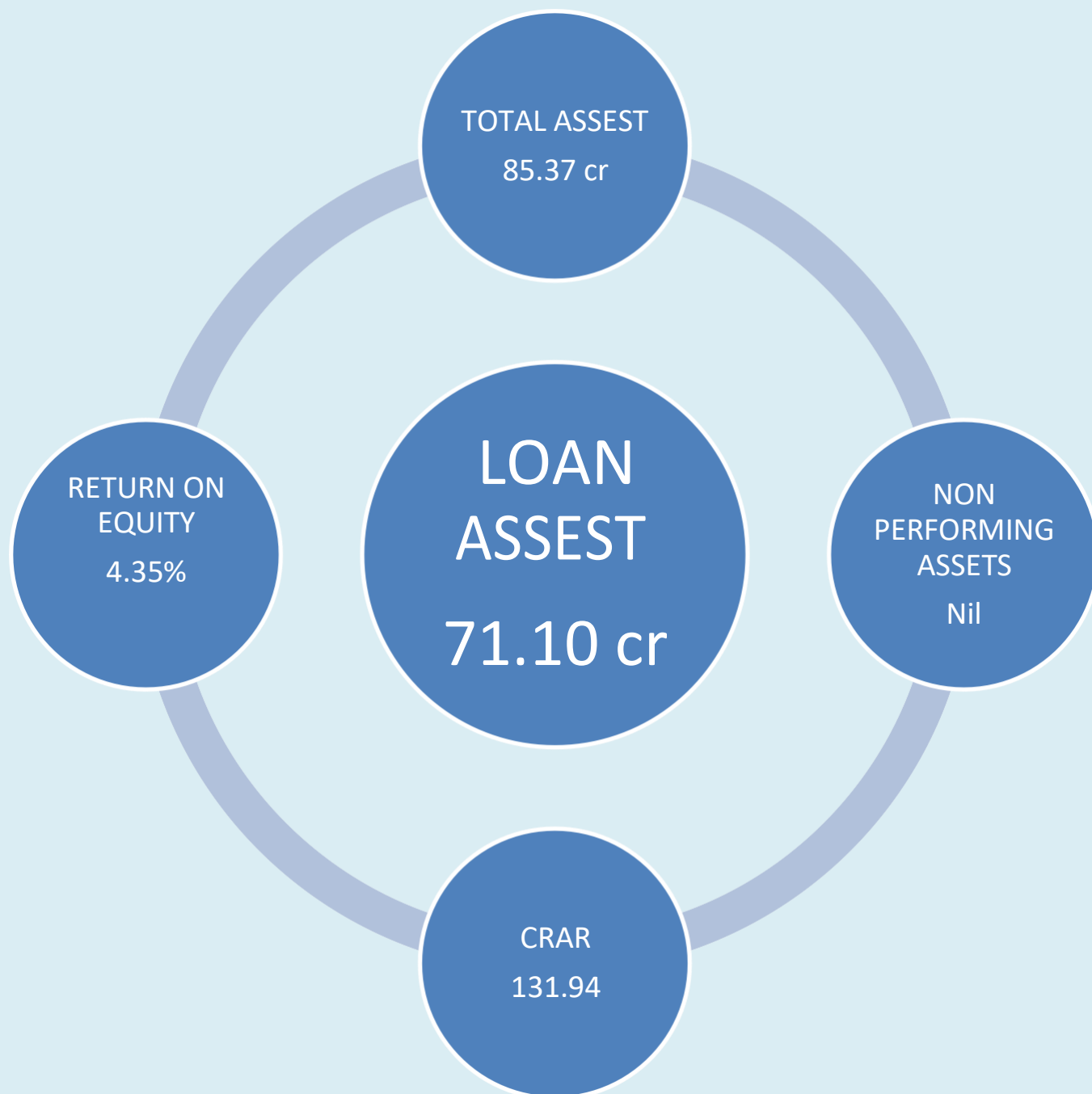
## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A diverse composition of your Company's Board of Directors, providing timely and accurate information to the Board and its Committees, transparency and fairness in all dealings, appropriate disclosures, compliance with applicable laws and regulations, internal controls, all aggregate to meet the ultimate objective of maximizing the shareholders' value. Your company encourages its employees to act ethically all the time, every single time.

Further your Company has followed and complied all the applicable Laws and regulations and has strictly adhered to the principles of Corporate Governance.



## KEY HIGHLIGHTS



## **NOTICE**

**Notice** is hereby given that the Fourth Annual General Meeting of **IFL Housing Finance Limited** will be held on Monday, 26<sup>th</sup> August, 2019 at 12:00 p.m. at the registered office of the company at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini New Delhi - 110085 to transact the following businesses:

### **Ordinary Business:**

#### **1. Adoption of Audited Financial Statements**

To receive, consider and adopt the financial statements of the company for the financial year ended March 31, 2019 including Audited Balance Sheet as on March 31, 2019, Cash Flow Statement and the Statement of Profit and Loss, for the financial year ended on March 31, 2019, along with the reports of the Board of Directors ('the Board') and the Auditor thereon.

#### **2. To appoint a Director in place of Mr. Gaurav Suri (DIN: 03591092), who retires by rotation and, being eligible, offers himself for re-appointment.**

#### **3. To consider the re-appointment of Statutory Auditors of the company and fix their remuneration.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Ajay Rattan & Co., Chartered Accountants (FRN 012063N), be and is hereby re-appointed as a Statutory Auditor of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual general Meeting to be held in the calendar year 2023 and that Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses) as may be recommended by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on such basis as may be agreed upon between the Board of Directors of the Company and the Auditors.”

### **Special Business:**

#### **4. Increase in the Authorised Share Capital of the Company and alteration of Capital Clause contained in the Memorandum of Association.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13 sub-section (1), read with Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorized Share Capital of the Company be and is

hereby increased from the existing Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) to Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each, by creation of additional 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

**“V. The Authorised Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each.”**

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any director of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as he may in his absolute discretion, deem appropriate.”

**5.Appointment of Mrs. Purva Mangal (DIN: 02816099) as Non- Executive director of the company.**

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 152(2) and other applicable provisions of the Companies Act, 2013, if any, read with Companies (Appointment & Qualification of Directors) Rules, 2014 (including any modification or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded upon the recommendation of Nomination and Remuneration Committee, to appoint **Mrs. Purva Mangal (DIN: 02816099)** as Non- Executive Director on the Board of Directors of the Company w.e.f.26.08.2019.

**RESOLVED FURTHER THAT** any director of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolution.”

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

**Sd/-**

**Place: New Delhi  
Date: 01<sup>st</sup> August, 2019**

**Varsha Bharti  
Company Secretary**

**Notes:**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.(Proxy Form is enclosed with this notice)
2. The Statement is annexed with the Notice in respect of Special Business (Item No.4, 5), as required under Section 102(1) of the Companies Act,2013.
3. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, Monday to Friday between 11:00 A.M to 01:00 P.M.
5. Members are requested to bring the Notice of the Annual General Meeting along with the Attendance Slip with them duly filled in and hand over the same at the entrance of the meeting hall. (Attendance Slip is enclosed with this notice).

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### **4. Increase in Authorised Share Capital of the Company and alteration of capital clause contained in the Memorandum of Association**

Presently, the existing Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- each (Rupees Ten). In order to enable further infusion of capital as and when required, it is necessary to have adequate provision in the Authorised Share Capital of the Company. Accordingly, it is proposed to increase the Authorised Share Capital to Rs. 60,00,00,000/- (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- each (Rupees Ten).

Consequent to the increase of Authorised Share Capital of the Company, the Authorised Share Capital Clause contained in Clause V of the Memorandum of Association of the Company needs to be altered as indicated in Item No.4 contained in the Notice convening the AGM.

Your Directors recommend the Item No.4 for the approval of the members of the Company.

No Director, Key Managerial Personnel or their relatives are interested or concerned in this resolution.

### **5. Appointment of Mrs. Purva Mangal (DIN: 02816099) as non- executive director of the company.**

The Board of Directors at its meeting held on 01.08.2019 recommended and accorded the name of Mrs. Purva Mangal as Non- Executive Director of the Company upon the recommendation of Nomination and Remuneration Committee but subject to the approval of members in an Annual General Meeting. Mrs. Purva Mangal has rich experience in the area of finance and business administration.

Further, the Company has received from Mrs. Purva Mangal(i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

The appointment of Mrs. Purva Mangal as a Director requires the approval of the Shareholders pursuant to Section 152(2) of the Companies Act, 2013, and other applicable provisions of the Act, if any, read with Companies (Appointment & Qualification of Directors) Rules, 2014. Therefore, the consent of the members is required for by way of passing the resolution as Ordinary Resolution.

No Director, Key Managerial Personnel or their relatives, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members.

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

**Sd/-**

**Place: New Delhi  
Date: 01<sup>st</sup> August, 2019**

**Varsha Bharti  
Company Secretary**

## BOARD'S REPORT

*To,  
The Members,*

Your Directors have pleasure in presenting their fourth report on the business and operations of your company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019. The Management Discussion and Analysis forms a part of this report.

### 1. OVERVIEW& STATE OF THE COMPANY'SAFFAIRS

During the financial year ending 2019, the Company's total revenue and profit after tax was Rs. 7,47,77,458 and Rs. 2,04,39,169, respectively. The paid-up share capital of the Company has increased from Rs. 18,05,00,000 as on 31st March 2018 to Rs. 45,11,00,000 as on 31st March 2019 and the net worth of the Company has increased from Rs. 17,97,43,984 as on 31st March 2018 to Rs. 46,92,97,103 as on 31<sup>st</sup> March 2019. Moreover, Company has also increased its authorised share capital from Rs. 25,00,00,000 to Rs. 50,00,00,000.

### 2. FINANCIALPERFORMANCE

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

Particulars	As on 31.03.2019 (In Rs.)	As on 31.03.2018 (In Rs.)
Revenue from Operations	731,52,361	36,89,191
Other Income	16,25,097	79,46,720
Expenses for the period	477,85,018	118,06,259
Profit/(Loss) before tax from continuing operations	269,92,440	(1,70,348)
Current Income Tax for the period	65,46,000	3,87,540
Deferred Tax	7,271	(2,13,819)
<b>Profit/(Loss) for the period</b>	<b>2,04,39,169</b>	<b>(3,44,069)</b>

### 3. DIVIDEND

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

**4. TRANSFER TO RESERVES**

During the year under review, your Company transferred Rs. 57,39,013 to the Statutory Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 out of the amount available for appropriation.

**5. CREDIT RATING**

During the year under review, the Company has received the Credit Rating of BB+/Stable from CARE.

**6. CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business.

**7. MATERIAL CHANGES AND COMMITMENTS**

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

**8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

**9. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal auditors and the reviews performed by management, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

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

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

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

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



## 12. PUBLICDEPOSITS

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

## 13. AUDITORS

### **STATUTORYAUDITOR**

M/s Bansal Mangal Singhal & Goyal, Chartered Accountants (Registration No. 012867C) was appointed as Statutory Auditors of the Company at the 1<sup>st</sup>AGM held on December 30, 2016 for the period of five years and resigned w. e. f. 2<sup>nd</sup>February, 2019 due to pre-occupation in other assignments.

Further, M/s Ajay Rattan & Co., Chartered Accountants (Firm Registration No. 012063N) appointed as a Statutory Auditor, to fill the casual vacancy caused by the resignation of M/s Bansal Mangal Singhal and Goyal, on EGM held on 28<sup>th</sup>February, 2019 who hold office until the conclusion of ensuing AGM and are eligible for re-appointment. Certificates have been received from them to the effect that their re-appointment as statutory auditors of the Company, if made, would be within the limits as prescribed under Section 139 and 141 of the Companies Act, 2013. Members are requested to consider theirre-appointment.

### **AUDITOR'S REPORT**

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

### **SECRETARIAL AUDITOR**

M/s Rachna Bhasin, Practicing Company Secretary, were appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2019. The Secretarial Audit Report in Form MR-3 for the financial year 2018-19 forms part of this Report as Annexure-I. The Report do not contain any qualification, observation, reservation, adverse remark or disclaimer.

### **INTERNAL AUDITOR**

Pursuant to provisions of Section 138 read with rules made there under, M/s Agrawal Goyal & Jalan, Chartered Accountants, was appointed as an Internal Auditor on 16<sup>th</sup>June, 2018 for the financial year 2018-19 and resigned w.e.f. 13<sup>th</sup>November, 2018.

Further, the Board has appointed M/s SMVA & Associates, Chartered Accountants, as an internal Auditor of the Company on 13<sup>th</sup>November, 2018 for the Financial Year 2018-19, to check the internal controls and functioning of the activities of the Company and also

recommends way of improvement. They have provided Internal Audit Report of the Company for the financial year ended March 31, 2019. The Internal audit is carried out on quarterly basis and the report is placed in the Audit Committee Meeting and Board Meeting for their consideration and direction. The Report do not contain any qualification, observation, reservation, adverse remark or disclaimer.

### **COST AUDITOR**

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

## **14. SHARECAPITAL**

The Authorised share capital of the Company is Rs. 50,00,00,000. During the year the Company has increased its authorized share capital from Rs. 25 crores divided into 2.5 crores equity shares of face value of Rs. 10 each to Rs. 40 crores divided into 4 crores equity shares of face value of Rs. 10 each as on 01.08.2018. Further, the authorized share capital has been increased on 29.12.2018 from Rs. 40 crores divided into 4 crores equity shares of face value of Rs. 10 each to Rs. 50 crores divided into 5 crores equity shares of face value of Rs. 10 each

The Paid-up equity share capital as on March 31, 2019 was Rs. 45,11,00,000/-. During the year under review:

### **A. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

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

### **B. ISSUE OF SWEAT EQUITY SHARES**

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

### **C. ISSUE OF EMPLOYEE STOCK OPTIONS**

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

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

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

**E. ISSUE OF SHARES ON PREFERENTIAL BASIS**

The Company has not issued any shares on preferential basis during the financial year 2018-2019.

**F. ISSUE OF BONUS SHARES**

The Company has not issued any bonus shares during the financial year 2018-2019.

**G. ISSUE OF RIGHT SHARES**

During the financial year, the Company has issued and allotted 45,20,000 right equity shares as on 06.07.2018; 60,85,000 right equity shares as on 24.11.2018; 12,00,000 right equity shares as on 23.01.2019.

**H. CONVERSION OF LOAN INTO EQUITY**

During the financial year, the Company has allotted 98,00,000 equity shares as on 26.11.2018; 54,55,000 equity shares as on 31.03.2019 to India Finsec Limited pursuant to Section 62(3) of the Companies Act, 2013.

**15. ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in **Form No. MGT – 9** as 'Annexure -II' has been enclosed with the Board's Report.

As required under Section 134(3)(a) of the Companies Act, 2013 the extract of annual return shall be uploaded on the website of the Company [www.iflhousingfinance.com](http://www.iflhousingfinance.com).

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

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

**A. CONSERVATION OF ENERGY**

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

**B. TECHNOLOGY ABSORPTION**

Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134(3)(m) of the Companies Act, 2013 read with

Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding Technology absorption, are not applicable.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings and outgo are given below:

Particulars	2018-19 (Rs.)	2017-18 (Rs.)
Foreign Exchange Earnings	NIL	
Foreign Exchange outgo		

### 17. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provision of Section 135 of the Companies Act, 2013, Every Company having a net worth of Rupees five hundred crore or more or turnover of Rupees one thousand crore or more or net profit is Rupees five crore or more during any Financial Year, is required to constitute a Corporate Social Responsibility Committee of the Board. But this provision is not applicable on our Company; because in any previous Financial Year (including 2018-2019) our Company has not reached this limit.

### 18. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR

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

#### Separate Meeting of the Independent Directors

Pursuant to the requirement of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on 31<sup>st</sup> March, 2019 without the attendance of non-independent directors and members of management. All independent directors were present in the meeting.

### 19. AUDIT COMMITTEE

Your Company has a duly constituted Audit Committee as per the provisions of Section 177 of Companies Act, 2013 on 3<sup>rd</sup> August, 2017 and re-constituted the composition of Audit Committee on 27<sup>th</sup> December, 2017 comprises of:

1. Mr. Arvinder Singh, Chairperson
2. Mr. Saurabh Chhabra, Member
3. Mr. Gopal Bansal, Member

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

### 20. NOMINATION & REMUNERATION COMMITTEE

Pursuant to provision of sub-section (1) of section 178 of the Companies Act, 2013, Company has a Nomination & Remuneration Committee from 03<sup>rd</sup> August, 2017 and a Nomination & Remuneration Policy for its directors and senior management. The Committee re-constituted on 27<sup>th</sup> December, 2017.

The Committee comprises of the following three Independent Directors:

1. Mr. Arvinder Singh, Chairperson
2. Mr. Saurabh Chhabra, Member
3. Mr. Basant Mittal, Member

## **ANNUAL EVALUATION**

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

### **21. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Nomination and Remuneration Committee has formulated criteria for appointment of directors, determining qualifications, positive attributes and independence of a director and has in place a policy on Board which laid down the criteria of remuneration for the directors, Key Managerial Personnel and other employees in the Nomination & Remuneration Policy. The Policy approved by the Board is available on the Company's website [www.iflhousingfinance.com](http://www.iflhousingfinance.com).

### **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a board approved vigil mechanism/whistle blower policy to provide adequate safeguards against victimization of employees and directors. It aims to provide a mechanism to report any unethical behavior, illegitimate practices or other concerns within the Company.

### **23. PARTICULARS OF EMPLOYEES**

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

### **24. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

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

## 25. FRAUD REPORTING

During the financial year, there were no frauds reported by the auditor pursuant to sub-section (12) of section 143 of the Companies Act, 2013.

## 26. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act 2013.

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

S. No.	Name of Director	Designation	DIN/PAN	Date of appointment/ change in designation
1	Mrs. Sunita Bansal	Whole-Time Director	02801660	28.06.2017
2	Mr. Gaurav Suri	Director	03591092	27.12.2017
3	Mr. Gopal Bansal	Managing Director	01246420	28.06.2017
4	Mr. Basant Mittal	Independent Director	06462662	25.07.2017
5	Mr. Arvinder Singh	Independent Director	00172428	27.12.2017
6	Mr. Saurabh Chhabra	Independent Director	00172495	27.12.2017
7	Mr. Mukesh Sharma*	Chief Financial Officer	AMVPS1115 M	13.01.2018
8	Ms. Varsha Bharti	Company Secretary	AROPB3152 H	03.08.2017
9	Mrs. Prerna Matta Arora**	Chief Financial Officer	BAMPM7236 C	09.01.2019

\*Mr. Mukesh Sharma resigned from the position of Chief Financial Officer w.e.f. 9<sup>th</sup> January, 2019.

\*\*Mrs. Prerna Matta Arora appointed as Chief Financial Officer w.e.f. 9<sup>th</sup> January, 2019.

**27. NUMBER OF MEETINGS OF THE BOARD**

During the year, the Board of Directors of the company met twenty-two times viz on 17.04.2018, 21.05.2018, 28.05.2018, 16.06.2018, 06.07.2018, 29.08.2018, 04.09.2018, 25.09.2018, 27.09.2018, 01.10.2018, 01.11.2018, 13.11.2018, 24.11.2018, 26.11.2018, 31.12.2018, 09.01.2019, 14.01.2019, 23.01.2019, 06.02.2019, 01.03.2019, 25.03.2019 and 31.03.2019.

**28. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

The disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted for the housing finance company as per the provisions of Section 186(11) of the Companies Act, 2013. During the Financial Year, the Company has not provided loans to other company, nor given guarantees to any other Company but made the investments which are given in the Notes to accounts forming part of the Audited Financial Statements for the year ended March 31, 2019.

**29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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

**30. RISK MANAGEMENT POLICY**

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

The Risk Management Committee comprises of the following members:

1. Mr. Gopal Bansal- Chairman & Managing Director
2. Mr. Arvinder Singh -Member
3. Mr. Suarabh Chhabra – Member
4. Mr. Basant Mittal-Member
5. Ms. Jaspreet Kaur Nagi- Risk Officer

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

**31. ASSET LIABILITY MANAGEMENT**

The Company has a board approved Asset Liability Management Policy prepared in line with the 'The Asset Liability Management System for Housing Finance Companies – Guidelines' issued

ByNHB and an Asset Liability Committee(ALCO) is constituted to assess the various types of risks and altering the asset liability portfolio in a dynamic way in order to manage the risks. The ALCO apprises the board on Asset Liability management issues periodically.

The Asset Liability Management Committee comprises of the following members:

1. Mr. Gopal Bansal, Chairman & Managing Director
2. Mr. Gaurav Suri, Director
3. Ms. Prerna Matta Arora, Chief Financial Officer
4. Ms. Priyanka Gupta, Accounts & Finance Manager

### 32. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (A) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (B) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (C) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (D) the directors had prepared the annual accounts on a going concern basis; and
- (E) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 33. CHANGES AMONG DIRECTORS AND KMP

There are no changes in the directors of the Company during the period under review.

#### KMP

S.No.	Name of Director	Designation	Date of Appointment	Date of Cessation	Date of Change in designation
1	Mukesh Sharma	Chief Financial officer	13.01.2018	09.01.2019	-
2	Prerna Matta	Chief Financial officer	09.01.2019	-	-



	Arora				
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### 34. REMUNERATION TO DIRECTORS&KMP

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

### 35. NATIONAL HOUSING BANK GUIDELINES

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

### 36. CAPITAL ADEQUACY

Company is required to maintain a minimum capital adequacy of 12% as per Housing Finance Companies (NHB) Directions, 2010 [NHB Directions, 2010]. The Capital Adequacy Ratio (CAR) of the Company was 131.94% as on 31<sup>st</sup> March, 2019.

Company complied with the regulatory requirement to transfer minimum 20% of its annual profits to a reserve fund.

### 37. CORPORATE GOVERNANCE

Your Company complies with all the statutory and regulatory compliances and other applicable Secretarial Standards and strictly adhered to the principles of Corporate Governance.

### 38. ACKNOWLEDGEMENT

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

**39. CAUTIONARY STATEMENT**

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

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

Sd/-

Sd/-

**Place: New Delhi  
Date: 20<sup>th</sup> May, 2019**

**Gopal Bansal                  Gaurav Suri  
Managing Director      Director  
(DIN: 01246420) (DIN: 03591092)**

**Annexure I**

**SECRETARIAL AUDIT REPORT**  
**Form No. MR-3**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2019**

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFL HOUSING FINANCE LIMITED (hereinafter called the company) for the Financial Year ended 31st March, 2019. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by IFL HOUSING FINANCE LIMITED ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: - Not Applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014:-
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:-
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:-
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:-  
- Not Applicable
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) Income Tax Act, 1961.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except some forms have been filed with Roc with additional fees.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**Place: New Delhi**  
**Date: 20.05.2019**

**Sd/-**  
**Rachna Bhasin**  
**(Practicing Company Secretary)**  
**ACS No. 23539**  
**COP No. 12952**

**Annexure -A'**

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

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

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

**Place: New Delhi  
Date: 20.05.2019**

**Sd/-  
Rachna Bhasin  
(Practicing Company Secretary)  
ACS No. 23539  
COP No. 12952**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of  
the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

<b>i.</b>	<b>CIN</b>	<b>U65910DL2015PLC285284</b>
<b>ii.</b>	Registration Date	17/09/2015
<b>iii.</b>	Name of the Company	IFL Housing Finance Limited
<b>iv.</b>	Category/Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
<b>v.</b>	Address of the Registered office and contact details	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to Total turnover of the company
1.	Carrying out the activities of housing finance company (without accepting public deposits)	64990	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	India Finsec Limited	L65923DL1994PLC06	Holding	87.55	2(46)

	D-16, Ist Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085	0827			
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#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### *i. Category-wise ShareHolding*

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	0	8,50,030	8,50,030	4.7093	53,95,030	0	53,95,030	11.9597	+7.2504
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	1,71,99,940	1,71,99,940	95.2905	3,94,94,960	0	3,94,94,960	87.5526	-7.7379
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	2,20,010	2,20,010	0	0.4877	+0.4877
<b>Sub-total(A)(1):-</b>	<b>0</b>	<b>1,80,49,970</b>	<b>1,80,49,970</b>	<b>99.9998</b>	<b>4,51,10,000</b>	<b>0</b>	<b>4,51,10,000</b>	<b>100</b>	<b>+0.0002</b>
<b>2) Foreign</b>		0	0	0	0	0	0	0	0
a) NRIs- Individuals		0	0	0	0	0	0	0	0
b) Other- Individuals		0	0	0	0	0	0	0	0
c) Bodies Corp.		0	0	0	0	0	0	0	0
d) Banks / FI		0	0	0	0	0	0	0	0
e) Any Other....		0	0	0	0	0	0	0	0

Sub-total (A)(2):-		0	0	0	0	0	0	0	0
Total Shareholdin g of Promoter (A)=(A)(1)+ (A)(2)		1,80,49,970	1,80,49,970	99.9998	4,51,10,000	0	4,51,10,000	100	+0.0002
B. Public Shareholdi ng									
1. <i>Institution s</i>		0	0	0	0	0	0	0	0
a) Mutual Funds		0	0	0	0	0	0	0	0
b) Banks / FI		0	0	0	0	0	0	0	0
c) Central Govt		0	0	0	0	0	0	0	0
d) State Govt(s)		0	0	0	0	0	0	0	0
e) Venture Capital Funds		0	0	0	0	0	0	0	0
f) Insurance Compani es		0	0	0	0	0	0	0	0
g) FIIs		0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds		0	0	0	0	0	0	0	0
i) Others (specify)		0	0	0	0	0	0	0	0
Sub-total (B)(1)		0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Oversea s		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
b) Individual s									



(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		30	30	0.0003	0	0	0	0	-0.0003
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		0	0	0	0	0	0	0	0
c) Others(Sp ecify)		0	0	0	0	0	0	0	0
Sub- total(B)(2)		30	30	0.0003	0	0	0	0	-0.0003
TotalPublic Shareholdin g (B)=(B)(1)+ (B)(2)		30	30	0.0003	0	0	0	0	-0.0003
C. Shares heldbyCusto dianforGDR s&ADRs		0	0	0	0	0	0	0	0
Grand Total (A+B+C )		1,80,50,000	1,80,50,000	100.00	4,51,10,000	0	4,51,10,000	100.00	0

## ii.Shareholding ofPromoters

Sl . No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareh oldin g during the
		No. of Shares	% of total Shares of the compan	%of Shares Pledged / encumb	No. of Shares	% of total Shares of the compa	%of Shares Pledged / encumber ed to total	
1.	India Finsec Limited	1,71,99,940	95.2905	0	3,94,94,960	87.5525	0	-7.738

2.	Mr. Gopal Bansal (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)	10	0.0001	0	33,55,010	7.4373	0	7.4372
3.	Mrs. Sunita Bansal (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)	10	0.0001	0	9,00,010	1.9951	0	1.9950
4.	Mr. Gaurav Suri (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)	5,00,010	2.7701	0	6,00,010	1.3301	0	-1.44
5.	Mrs. Kriti Suri	3,50,000	1.9391	0	5,40,000	1.1970	0	- 0.7421
6.	Arvind Kumar Bansal HUF	0	0	0	2,10,000	0.4655	0	+0.465 5
7.	Gopal Bansal HUF	0	0	0	10,010	0.0222	0	+0.022 2
	<b>Total</b>	<b>1,80,49,970</b>	<b>99.9998</b>	<b>0</b>	<b>4,51,10,000</b>	<b>100</b>	<b>0</b>	<b>0.0002</b>

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

S. No. 1.	India Finsec Limited (Promoter)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,71,99,940	95.2905	0	0

	<b>Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):</b>	39,00,000 (right issue on 06.07.2018)	8.645	3,94,94,960	87.5525
		28,40,000 (right issue on 24.11.2018)	6.2957		
		3,00,000 (right issue on 23.01.2019)	0.6650		
		98,00,000 (Conversion of loan into equity on 26.11.2018)	21.7246		
		54,55,000 (Conversion of loan into equity on 31.03.2019)	12.0926		
		20 (Transfer on 01.10.2018)	0.0001		
	<b>At the End of the year</b>	3,94,94,960	87.5525	3,94,94,960	87.5525
<b>S. No.</b>	<b>Mrs. Sunita Bansal (Promoter &amp; Whole-Time Director)</b> (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
<b>2.</b>		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	<b>At the beginning of the year</b>	10	0.0001		
	<b>Date wise Increase / Decrease in Promoters</b>	4,30,000(right	0.9532		

	Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	issue on 06.07.2018)  2,30,000 (right issue on 24.11.2018)  2,40,000 (right issue on 23.01.2019)	0.5098  0.5320	9,00,010	1.9951
	At the End of the year	9,00,010	1.9951	9,00,010	1.9951
S. No. 3.	Mr. Gopal Bansal (Promoter & Managing Director) (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	0.0001		
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	30,05,000 (right issue on 24.11.2018)  3,50,000 (right issue on 23.01.2019)	6.6614  0.7758	33,55,010	7.4373

	At the End of the year	33,55,010	7.4373	33,55,010	7.4373
S. No. 4.	<b>Mr. Gaurav Suri</b> (Promoter & Director) (Nominee shareholder of 10 shares on behalf of India Finsec Limited)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5,00,010	2.7701	0	0
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	1,00,000 (right issue on 23.01.2019)	0.2216	6,00,010	1.3301
	At the End of the year	6,00,010	1.3301	6,00,010	1.3301
S. No. 5.	<b>Mrs. Kriti Suri</b> (Promoter Group)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,50,000	1.9391		
	Date wise Increase/Decrease in				

	Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	1,90,000 (right issue on 06.07.2018)	0.4212	5,40,000	1.1970
	At the End of the year	5,40,000	1.1970	5,40,000	1.1970
S. No. 6.	Arvind Kumar Bansal HUF (Promoter Group)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	2,10,000 (right issue on 23.01.2019)	0.4655	2,10,000	0.4655
	At the End of the year	2,10,000	0.4655	2,10,000	0.4655
S. No. 7.	Gopal Bansal HUF (Promoter Group)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	10 (Share Transfer from India Finsec Limited)	0.0001	10,010	0.0223

	transfer/ bonus/sweat equity etc):	10,000 (right issue on 24.11.2018)	0.0222		
	At the End of the year	10,010	0.0223	10,010	0.0223

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2018/ end of the year (31-03-2019)	% of total shares of the company				No. of shares	% of total shares of the company
1.	Basant Mittal (Nominee shareholder on behalf of India Finsec Limited)	10	0.0001	01.04.2018			-	-
		-	-	01.10.2018	-10	Transfer to India Finsec Limited	10	0.0001
		0	0	31.03.2019			0	0
2.	Charu Goyal (Nominee shareholder on behalf of India Finsec Limited)	10	0.0001	01.04.2018			-	-
		-	-	13.02.2019	-10	Transfer to India Finsec Limited	10	0.0001
		0	0	31.03.2019			0	0
3.	Mukesh Sharma (Nominee shareholder on behalf of India Finsec Limited)	10	0.0001	01.04.2018			-	-
		-	-	01.10.2018	-10	Transfer to India Finsec Limited	10	0.0001

		0	0	31.03.2019			0	0
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v. **Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Gopal Bansal (Managing Director)</b> (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)				
	At the beginning of the year	10	0.0001		
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	30,05,000 (right issue on 24.11.2018)	6.6614	33,55,010	7.4373
		3,50,000 (right issue on 23.01.2019)	0.7758		
	At the End of the year	33,55,010	7.4373	33,55,010	7.4373
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	<b>Mrs. Sunita Bansal (Whole-Time Director)</b> (holds 10 shares as Nominee shareholder on behalf of India Finsec Limited)				
	At the beginning of the year	10	0.0001		
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g.	4,30,000 (right issue on	0.9532		



	allotment/ transfer/ bonus/sweat equity etc):	06.07.2018)  2,30,000 (right issue on 24.11.2018)  2,40,000 (right issue on 23.01.2019)	0.5098   0.5320	9,00,010	1.9951
	At the End of the year	9,00,010	1.9951	9,00,010	1.9951
<b>Sl. No. 3.</b>	<b>For Each of the Directors and KMP</b>  <b>Mr. Gaurav Suri (Executive Director)</b> (holds 10 shares as Nominee shareholder on behalf of IndiaFinsec Limited)	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	5,00,010	2.7701	0	0
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	1,00,000 (right issue on 23.01.2019)	0.2216	6,00,010	1.3301
	At the End of the year	6,00,010	1.3301	6,00,010	1.3301
<b>Sl. No. 4.</b>	<b>For Each of the Directors and KMP</b>  <b>Mr. Arvinder Singh (Independent Director)</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>

	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
Sl. No. 5.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Mr. Saurabh Chhabra (Independent Director)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
Sl. No. 6.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Mr. Basant Mittal (Independent Director)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-

	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
Sl. No. 7.	For Each of the Directors and KMP  Mr. Mukesh Sharma* (CFO)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
Sl. No. 8.	For Each of the Directors and KMP  Ms. Prerna Matta Arora# (CFO)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-

	At the End of the year	-	-	-	-
Sl. No. 9.	For Each of the Directors and KMP  Ms. Varsha Bharti (Company Secretary)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

\* Mr. Mukesh Sharma resigned as CFO w.e.f.09.01.2019

# Ms. Prerna Matta Arora appointed as CFO w.e.f.09.01.2019.

## V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	2,30,00,000	-	2,30,00,000
ii) Interest due but not paid	-	4,12,336	-	4,12,336
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	2,34,12,336	-	2,34,12,336
<b>Change in Indebtedness</b>				

during the financial year				
- Addition	28,97,48,731	-	-	28,97,48,731
- Reduction	-	(2,34,12,336)	-	(2,34,12,336)
Net Change	28,97,48,731	(2,34,12,336)	-	26,63,36,395
Indebtedness at the end of the financial year				
i) Principal Amount	28,97,48,731	-	-	28,97,48,731
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	28,97,48,731	-	-	28,97,48,731

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mrs. Sunita Bansal (Whole-Time Director)	Mr. Gopal Bansal (Managing Director)	Mr. Gaurav Suri (Director)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,25,000	6,00,000	7,80,000	22,05,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission		0		
	- as % of profit	0		0	0
	- others, specify...			0	0
5.	Others, please specify	0	0	0	0
6.	Total(A)	8,25,000	6,00,000	7,80,000	22,05,000
	Ceiling as per the Act	Within the limit as per Companies Act, 2013			

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
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	<u>Independent Directors</u> · Fee for attending board/committee meetings · Commission · Others, please specify	NIL
	Total(1)	
	<u>Other Non-Executive Directors</u> · Fee for attending board/committee meetings · Commission · Others, please specify	
	Total(2)	
	Total(B) = (1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary (Varsha Bharti)	CFO Mukesh Sharma (Past CFO)* Prerna Matta Arora#	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	4,62,000	6,11,734	2,87,586	13,61,320
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total	-	4,62,000	6,11,734	2,87,586	13,61,320

\*Mr. Mukesh Sharma resigned as Chief Financial Officer w.e.f. 09.01.2019 #Ms. Prerna Matta Arora appointed as Chief Financial Officer w.e.f. 09.01.2019

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[R D /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty			Not Applicable		
Punishment					
Compounding					
B. Directors					
Penalty			Not Applicable		
Punishment					
Compounding					
C. Other Officers InDefault					
Penalty			Not Applicable		
Punishment					
Compounding					

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

Place: New Delhi  
Date: 20<sup>th</sup>May, 2019

Sd/-  
Gopal Bansal  
Director  
(DIN: 01246420)

Sd/-  
Gaurav Suri  
Director  
(DIN: 03591092)

**Annexure III****Form No. AOC-2**

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

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

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

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

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



Name of related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of contract	Salient Terms	Date of Approval by the Board	Amount (in INR)
<b>Gopal Bansal (HUF)</b>	Rent Paid	Eleven Months	As per Rent Agreement	17.04.2018	4,56,950
	Share Application Money (10,000 equity shares @ FV of Rs. 10)		-	01.11.2018	1,00,000
<b>Sunita Bansal</b>	Rent Paid	Eleven Months	As per Rent Agreement	17.04.2018	4,56,950
	Remuneration		-	04.09.2018	8,25,000
	Share Application Money (4,30,000 equity shares @ FV of Rs. 10)		-	16.06.2018	43,00,000
	Share Application Money (2,30,000 equity shares @ FV of Rs. 10)			01.11.2018	23,00,000
	Share Application Money (2,40,000 equity shares @ FV of Rs. 10)			31.12.2018	24,00,000
<b>Gopal Bansal</b>	Remuneration	-	-	04.09.2018	6,00,000
	Interest Paid			-	10,520
	Loan Taken			-	32,00,000
	Loan repaid			-	32,00,000
	Share Application Money			01.11.2018	3,00,50,000

	(30,05,000 equity shares @ FV of Rs. 10)				
	Share Application Money (3,50,000 equity shares @ FV of Rs. 10)			31.12.2018	35,00,000
<b>Gaurav Suri</b>	Remuneration	-	-	04.09.2018	7,80,000
	Share Application Money (1,00,000 equity shares @ FV of Rs. 10)			31.12.2018	10,00,000
<b>Kirti Suri</b>	Remuneration	-	-		2,77,740
	Share Application Money (1,90,000 equity shares @ FV of Rs. 10)			16.06.2018	19,00,000
<b>Mukesh Sharma</b>	Remuneration	-	-		7,41,092
<b>Prerna Matta Arora</b>	Remuneration	-	-		7,59,357
<b>Varsha Bharti</b>	Remuneration	-	-		4,14,862
<b>India Finsec Limited</b>	Interest Paid		-	-	29,36,987
	Loan Taken			-	15,33,00,000
	Loan Repaid			-	17,67,12,336
	Share Application Money (39,00,000 equity shares @ FV of Rs. 10)			16.06.2018	3,90,00,000
	Share Application Money (28,40,000 equity shares @ FV of Rs. 10)			01.11.2018	2,84,00,000

	Share Application Money (3,00,000 equity shares @ FV of Rs. 10)			31.12.2018	30,00,000
	Conversion of Loan into Equity- 98,00,000 equity shares @ FV of Rs. 10)			26.11.2018	9,80,00,000
	Conversion of Loan into Equity- 54,55,000 equity shares @ FV of Rs. 10)			31.03.2019	5,45,50,000
<b>Arvind Kumar Bansal HUF</b>	Share Application Money (2,10,000 equity shares @ FV of Rs. 10)		-	31.12.2018	21,00,000

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

Place: New Delhi  
Date: 20<sup>th</sup> May, 2019

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

**Sd/-  
Gaurav Suri  
Director  
(DIN: 03591092)**

**Annexure IV****POLICY ON RELATED PARTY TRANSACTIONS****1. SCOPE AND PURPOSE OF THE POLICY**

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

**2. ABOUT THE COMPANY**

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

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

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

**3. OBJECTIVE OF THE POLICY**

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

**4. DEFINITIONS**

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

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

**4.3 “Ordinary course of business”** means the usual transactions, customs and practices Undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The

Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

**4.4 “Company”** means IFL Housing Finance Limited

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

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

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

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

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

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

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

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

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

## **5. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION**

### **5.1 Approval of the Audit Committee**

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

a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:

i Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;

- ii The maximum value per transaction which can be allowed;
- iii extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
- iv review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
- v transactions which cannot be subject to the omnibus approval by the Audit Committee

b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

i repetitiveness of the transactions (in past or in future);

ii justification for the need of omnibus approval

c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company;

d. The omnibus approval shall provide details of (i) the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.

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

e. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.

f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

g. Any other conditions as the Audit Committee may deem fit.

## 5.2 Approval of the Board of Directors of the Company

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

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

a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval
- d) Transactions exceeding the threshold limits, as per Clause 4.8 of the Policy, which are intended to be placed before the shareholders for approval

### **5.3 Approval of the Shareholders of the Company**

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

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

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

## **6. REPORTING AND DISCLOSURES**

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

## **7. REVIEW OF THE POLICY**

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

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **MACROECONOMIC OUTLOOK**

The macroeconomic setting for the conduct of monetary policy has undergone significant shifts as domestic activity lost speed in 2018-19 and inflation conditions turned unusually benign under the impact of deflationary food prices. Going forward, economic activity is expected to recover in 2019-20. Headline CPI inflation is projected to move up from its recent low as the favorable base effects dissipate but remain below the target of 4 per cent in 2019-20. Global economic activity and trade have been shedding momentum and downside risks to the outlook have increased. Consumer price inflation has weakened in a broad-based manner with food prices contracting for five consecutive months since September 2018, fuel inflation collapsing and inflation excluding food and fuel softening even though it remains at an elevated level. Nominal growth in rural wages for both agricultural and non-agricultural laborers remained muted and pressure from staff costs in the organized sector. Industrial and farm input costs moderated considerably. Economic activity slowed down in Q2 led mainly by a large drag from net exports, which became entrenched in Q3 due to deceleration in public spending and private consumption. On the supply side, agriculture and allied activities moderated characterized by a modest growth in kharif and horticulture production. Industrial growth also decelerated led by a slowdown in manufacturing activity. However, services sector activity remained resilient, supported primarily by construction, financial services, and public administration and defence and the Indian Rupee appreciating due to easing of global crude prices and resumption of foreign portfolio inflows.

Domestic financial markets continued to be influenced by global developments, especially volatile capital flows. The direction of capital flows remains unpredictable, posing challenges for macroeconomic and liquidity management. Going forward, liquidity operations would continue to focus on achieving the stated policy objective of aligning the WACR with the policy repo rate by meeting the durable liquidity needs of the economy. Adequate and swift monetary transmission remains a policy challenge for the Reserve Bank. In sum, global economic activity is witnessing a synchronized deceleration, though easy policy stances by the fiscal and monetary authorities in several economies are expected to cushion the pace of the slowdown. The global trade outlook is uncertain as the largest economies of the world struggle to strike a deal. Inflation pressures across geographies remain benign on soft commodity prices and slowing demand. Global growth and trade concerns are expected to remain the dominant theme of 2019, which will drive markets and condition future monetary and fiscal actions.

### **HOUSING FINANCE INDUSTRY - STRUCTURE & DEVELOPMENT**

Housing is an important sector for any economy as it has inter linkages with other industries. The development of housing sector can have direct impact on employment generation, GDP growth and consumption pattern in the economy. To accelerate development in housing in the country, there is need to have a well-developed housing finance market. The demand for housing is increasingly being made by individuals and households given the increasing level of income and prosperity. The supply of houses have to come from builders, developers and construction companies scattered widely across the country, both in the private and public sector when examined in the context of demand and supply of housing units, especially in the face of scarce land in the urban areas. In India, housing finance market is very complex.



The government, both at centre and states, is a facilitator and is assisted by two regulators, Reserve Bank of India (RBI) and National Housing Bank (NHB). There are number of players in the housing finance market which includes commercial banks, both domestic and foreign. In addition, there are cooperative banks and housing finance companies, self-help groups, micro-finance institutions, and NGOs. The RBI regulates commercial banks and partially cooperative banks (which are mainly governed by the State Governments under State Cooperative Acts) while the NHB regulates the housing finance companies. The others are not regulated by any authority in the country. The need of long term finance for the housing sector in India is catered by scheduled commercial banks (SCBs), financial institutions, cooperative banks, regional rural banks (RRBs), Housing finance companies (HFCs), agriculture and rural development banks, non-banking finance companies (NBFCs), micro finance institutions (MFIs), and self -help groups (SHGs). The largest contributor to housing loans by virtue of their strong branch network and customer base are SCBs, accounting for the major share of housing loan portfolio in the market followed by HFCs.

A spate of policy reforms favouring affordable segment were introduced during the years which were quite in sync with the government's vision to provide "Housing for All by 2022." Meanwhile, the new launch supply in top 7 cities increased by 33% in 2018 on an yearly basis. Interestingly, affordable housing contributed significantly to this supply growth. As it stands, 2018 saw residential supply and sales pick momentum following a significant growth in affordable new supply and high buyer interest for ready-to-move-in properties across the top 7 cities (Mumbai Metropolitan Region (MMR), Delhi-National Capital Region (NCR), Bengaluru, Pune, Hyderabad, Chennai, Kolkata). As many as 1.95 lakh new units were launched across the top 7 cities during the year while housing sales stood at 2.48 lakh units. Remarkably, sales has seen a steady q-o-q rise this year - the first time after 2015. If we delve deeper, nearly 40% new supply catered to the affordable segment - within ` 40 lakh budget. On an average, the unit sizes reduced 8% from 1,260 sq. ft. in 2017 to 1,160 sq. ft. in 2018. These shrinking unit sizes eventually helped reduce the overall ticket prices for homes and thus adjusted into the affordability bracket of homebuyers. Rising sales across the cities helped reduce the unsold stock by over 7% in a year. New trends emerged with homebuyers preferring to buy properties that are either ready-to-move-in or those nearing completion against under-construction ones. Overall, the year 2018 was a mixed bag of surprise for Indian real estate with residential segment seeing green shoots of revival, Homebuyers have become extremely price conscious during the past few years. As a result, developers are consciously reducing the average property sizes across cities to fit their properties in the expected budget range. Alternately, buyers also don't mind buying smaller size units since it comfortably fits in their budget. Also, due to increasing trend of nuclear families, working professionals/couples prefer to cut down the maintenance hassles and the underlying costs and instead opt for smaller units at prime locations. In this backdrop, average property sizes continued to shrink over the years – nearly 17% from 2015 to 2018 i.e. from 1,400 sq. ft. to 1,160 sq. ft. In 2018, average sizes reduced by 8%, indicating that builders are lesser focused in luring buyers by offering apt properties. In the first quarter of 2019 both housing sales and new supply have risen driven by sops in the interim budget, GST rate cuts yet away from its earlier peak levels. Bengaluru residential market stood at the top with inventory overhang declining to a year low of 17 months. NCR still has a long way to go as it stands at 52 months inventory overhang - highest across the top 7 cities. Insolvency and Bankruptcy Code, 2018 gave more power to homebuyers by treating them at par with banks and other institutional creditors. This status will help them recover their dues from realty firms that turn bankrupt.

## OPPORTUNITIES

While the mid-income and affordable housing category continued to outperform other segments, established developers could take advantage of the same as homebuyers considered execution and delivery track record as the foremost factor. This year new launches have come down leading to reduction in inventory. Sales have been better year-on-year and this demand is being shared by a limited number of real estate developers due to consolidation in the market. Affordable housing is expected to lead the demand for housing in 2019 with ready apartments occupying the centre stage. However, full recovery hinges on the liquidity crisis and an early solution of the same. Home loan borrowers now need not worry whether they should choose fixed or floating interest rates. The Reserve Bank of India has introduced a new policy measure with regards to loan pricing. From April 2019, it will be mandatory for banks to link all floating rate loans using external benchmarks. This benchmark can be the RBI's repo rate, yield on the 91-day or 182-day Treasury Bill, or any other yardstick produced by the Financial Benchmarks of India. This means for home loan pricing, rates will now be decided by the markets and not the banks. The move is in favour of home loan borrowers, as they can now get more transparent deals with the process bringing more standardisation and ease of understanding. There will be a uniform benchmark for the loan category. Existing borrowers will also switch their loans to the new benchmark. Ending months of ambiguity and speculation, GST has been reduced to five percent from the previous 12 percent, thus easing the burden on home-buyers significantly. The decision to lower GST will remove the final barriers for fence-sitters from investing in real estate. The government has been taking bold steps in order to revive market sentiment and this decision will allow a more balanced sale of inventory between under-construction and ready-to-move-in apartments, thus providing relief to developers, buyers and lenders. How would this impact one's home buying decision? For an underconstruction apartment sized 1,000 sq ft and price-tagged at ` 5,000 / sq ft, a homebuyer's GST liability has fallen from ` 4.2 lakh to ` 2.5 lakh. Thus a saving of ` 1.7 lakh on a home that costs an ` 50 lakh can boost sales thereby help in arresting soaring residential inventory.

## THREATS

Tight liquidity conditions since September 2018 have pushed housing finance companies (HFCs) to lower their disbursements and meet a sizable portion of their fund requirements through portfolio sell-down route, resulting in banks availing of this opportunity to increase their portfolios. Some HFCs aim to go slow on construction finance to conserve liquidity, the growth in non-housing loan segment is expected to slacken. However, given the positive long-term prospects for the housing sector, the housing credit growth for FY 2020 is expected to be pegged at 14 – 16 percent provided liquidity conditions in the market ease out. While asset quality indicators have remained stable so far, with Gross NPA of 1.4 percent as on 31 December, 2018. Some of the emerging risk factors that need to be watched out for are home loans extended to borrowers where the underlying projects have been significantly delayed, and under-construction properties sold by builders under subvention schemes or buyback / assured return schemes. Further, tight liquidity faced by some developers where projects are delayed could lead to some stress on the construction finance portfolio of HFCs, leading to an increase in the overall gross NPAs for HFC to 1.4 – 1.8 percent over the medium term.

### Stress Points in HFCs

- Reckless non-housing loan lending. High LAP, builder loans and Lease Rental Discounting;
- Slump in rural economy post demonetization;

- Lending in untested markets has backfired for some HFCs;
- Excessive lending to non-salaried, low income earners with unpredictable cashflows;
- Some cases of ‘dummy borrowing’ and document fudging by developers in affordable housing segment;
- Small HFCs have low capital base and their cost of funding is high;
- GST implementation has impacted earning capabilities of low-income, non-salaried borrowers.

## SEGMENT WISE REPORTING

The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity.

## OUTLOOK

It was anticipated a negative spill over impact of the NBFC crisis in the first quarter of 2019, housing sales and new supply assumed an upward trajectory. The sector is riding on a new wave of optimism following the triple benefits it received from the government in first three months of 2019. These sops have not only increased homebuyer’s sentiments but will also increase the confidence of builders and long-term investors.

Residential real estate has gone through a choppy ride this year, initially hinting at a recovery only to be sucked into a liquidity crisis later. The year also marked a significant rise in consolidation across geographies and the demand for affordable housing that saved the day for realty developers.

Armed with the Insolvency and Bankruptcy code, homebuyers get the same treatment as financial institutions when it comes to recovering dues from real estate firms that go bankrupt. The disruption caused by the implementation of the Real Estate (Regulation & Development) Act, 2016, and the Goods and Services Tax was quite evident on the sector.

Mid-income housing has clearly been the frontrunner in driving the housing growth this year on the back of the government’s reformatory push and participation of private players leading to increased demand.

## RISKS AND CONCERNS

Risk is inherent part of the Company’s business. Effective Risk management is critical to any Housing Finance Company for achieving financial soundness. In view of this, aligning Risk management to Company’s organizational Structure and business strategy has become an integral part in Company’s business.

IFL Housing Finance Limited (hereinafter referred to IFLHFL) is a public limited Company incorporated under Companies Act, 2013 and governed by directives of National Housing Bank. IFLHFL is in the business of housing finance, prone to inherent business risks like any other organisation. To minimize the adverse consequence of risks on business objectives the Company has framed this Risk Management Policy. The guidance provides a route map for risk management, bringing together policy and guidance from Board of Directors.

## Identification and Categorization of Risks

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

Key characteristics by which risks will be identified are:

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

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

### A. Credit Risk

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

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

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

### i. Instruments of Credit Risk Management

Credit Risk Management encompasses a host of management techniques, which help the IFLHFL in mitigating the adverse impacts of credit risk.

### ii. Credit Approving Authority

IFLHFL would carefully formulate the scheme of delegation of powers. IFLHFL would evolve multi-tier credit approving system where the loan proposals are approved by Committee. IFLHFL would also consider Credit approving Committee at various operating levels.

### iii. Risk Rating

IFLHFL would have a comprehensive risk scoring / rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. To facilitate this, a substantial degree of standardization is required in ratings across borrowers. The risk rating system would be designed to reveal the overall risk of lending, critical input for setting pricing and non-price terms of loans as also present meaningful information for review and management of loan portfolio. The risk rating, in short, would reflect the underlying credit risk of the loan book. The rating exercise would also facilitate the credit granting authorities some comfort in its knowledge of loan quality at any moment of time.

### iv. Loan Review Mechanism (LRM)

LRM is an effective tool for constantly evaluating the quality of loan book and to bring about qualitative improvements in credit administration. IFLHFL would, therefore, put in place proper

Loan Review Mechanism for large value accounts with responsibilities assigned in various areas such as, evaluating the effectiveness of loan administration, maintaining the integrity of credit grading process, assessing the loan loss provision, portfolio quality, etc. The main objectives of LRM would be:

- i To identify promptly loans which develop credit weaknesses and initiate timely corrective action;
- ii To evaluate portfolio quality and isolate potential problem areas; to provide information for determining adequacy of loan loss provision;
- iii To assess the adequacy of and adherence to, loan policies and procedures, and to monitor compliance with relevant laws and regulations; and
- iv To provide top management with information on credit administration, including credit sanction process, risk evaluation and post-sanction follow-up.

## **B. Market Risk**

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

### **Market Risk Management**

Management of market risk would be the major concern of top management. The Board would clearly articulate market risk management policies, procedures, prudential risk limits, review mechanisms and reporting and auditing systems. The operating prudential limits and the accountability of the line management would also be clearly defined. The Asset-Liability Management Committee (ALCO) would function as the top operational unit for managing the balance sheet within the performance/risk parameters laid down by the Board. To tackle Market Risk the following efforts are taken:

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

## **C. Operational Risk**

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

## **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has internal audit system which is effective and commensurate with the size of its operations. Adequate records and documents are maintained as required by law from time to time. Internal audits and checks are regularly conducted and internal auditor's recommendations are considered for improving systems and procedures. The Company's audit committee reviews the internal control system and looks into the observations of the statutory and internal auditors.

## **FINANCIAL PERFORMANCE**

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

## **HUMAN RESOURCES DEVELOPMENT**

The Company has staff strength of 55 employees who have been contributing to the progress and growth of the Company. The manpower requirement of the offices of the company is assessed and recruitment is conducted accordingly. Personal skills of the employees are fine-tuned and knowledge is enhanced by providing them internal and external training from time to time keeping in view the market requirement. Outstanding performers are rewarded by way of elevation to the higher cadre. Apart from fixed salary and perquisites, the employees are paid performance linked incentives which motivates them to perform better.



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of **IFL Housing Finance Limited**, which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

### Opinion

We have audited the financial statements of **IFL Housing Finance Limited**, which comprises the Balance Sheet as at **March 31, 2019** and the statement of Profit and Loss account and Cash Flow Statement for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i In case of the Balance Sheet, of the **state of affairs** of the company as at 31<sup>st</sup> March, 2019;
- ii In case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- iii In case of Cash Flow Statement, of the **cash flows** for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards of Auditing (SAs) specified U/s 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 provision of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules,

2014. This Responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Company's management is responsible for establishing and maintaining internal financial controls. 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 Act.

### **Auditors' Responsibility for the audit of the Financial Statement**

Our responsibility is to express opinion on the Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. 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.

2. As required by section 143(3) of the Act and Companies (Audit and Auditors) Rule 2014, 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 purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
  - (e) In our opinion, there are no adverse observations and comments on the financial transactions of the matters which have adverse effect on the functioning of the company.
  - (f) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act 2013.
  - (g) 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**.
  - (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sd/-  
(CA. Ajay Aggarwal)  
Partner  
Membership No. 090975**

**Place: New Delhi  
Dated: 20.05.19**

## “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 **IFL HOUSING FINANCE LIMITED** (the Company) for the year ended March 31, 2019:

We report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
 (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
 (c) The company does not own any immovable properties.
2. The Company does not have any inventories. Accordingly, reporting under clause 3(ii) of the order is not applicable to the Company.
3. According to information and explanation given to us, the Company has not granted any secured or unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013 and hence provisions of this sub-clause are not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
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 thereunder, 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, Central government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the company.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a) In our opinion the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, 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.
- 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 during the year of audit.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has raised money by way of rights issue and term Loans and applied for the purpose for which they are raised.
10. According to information and explanations given to us, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the year.
11. Managerial remuneration has been paid or provided in accordance with requisite approvals mandate by the provisions of section 197 read with schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
13. 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 private placement of shares during the year under review by way of rights issue and the requirements of Section 42 of the Companies Act 2013 have been complied with and the amount raised have 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 as it is registered under Section 29A of National Housing Bank Act, 1987 as a housing finance company.

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

**Sd/-**  
**(CA. Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**

**Place: New Delhi**  
**Dated: 20.05.19**

## **“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**

We have audited the internal financial controls over financial reporting of **IFL HOUSING FINANCE LIMITED** (the Company) as on 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for the 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 controls stated in the Guidance Note on Audit of Internal Financial Control 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 companies policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s 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 standard of auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013 to the extent applicable to the audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operation effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of 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 control system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is 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 the receipt and expenditures of the Company are being 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 misstatement due to error or fraud may occur and could 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 controls 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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

**Sd/-**  
**(CA. Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**

**Place: New Delhi**  
**Dated: 20.05.19**

## AUDITOR'S ADDITIONAL REPORT

To the Board of Directors  
IFL Housing Finance Limited

### Report on compliance with the Housing Finance Companies- Auditor's Report (National Housing Bank) Directions, 2016

Pursuant to the Housing Finance Companies- Auditor's Report (National Housing Bank) Directions, 2016 (the "Directions"), and as per the terms of our engagement, we have examined the matters specified in directions in respect of IFL Housing Finance Limited (the "Company") for the year ended 31<sup>st</sup> March, 2019.

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

1. The company has received the Certificate of Registration (COR) No. 12.0164.17 dated 12<sup>th</sup> December, 2017 from National Housing Bank.
2. The company has complied with the Net Owed Fund (NOF) requirements as prescribed under section 29A of the National Housing Bank Act.
3. The Company has complied with Section 29C of the National Housing Bank Act, 1987.
4. The Board of Directors of the company has passed a resolution for non-acceptance of any public deposits.
5. The Company has not accepted any public deposit during the year ended 31<sup>st</sup> March, 2019.
6. The total borrowings of the Company are within the limits prescribed under paragraph 3(2) of the Housing Finance Companies (NHB) Directions, 2010.
7. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us we report that the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirement, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, concentration of credit/investments as specified Housing Finance Companies (NHB) Directions, 2010.
8. The capital adequacy ratio as disclosed in the Schedule II return submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010 has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
9. The Company has furnished to the National Housing Bank within the stipulated period the Schedule II return as specified in the Housing Finance Companies (NHB) Directions, 2010.
10. The Company is not required to submit the Schedule III return on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010.
11. The Company has complied with the requirements contained in the Housing Finance Companies (NHB) Directions, 2010 in the case of opening of new branches/ offices or in the case of closure of existing branches/offices.



12. The company has not given loans against its own shares or against gold as contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

**Restriction to use**

This report has been issued pursuant to the requirement as per paragraph 2 of the Auditor's Report Directions. It should not be used by any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

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

**Sd/-**  
**(CA. Ajay Aggarwal)**  
**Partner**  
**Membership No. 090975**

**Place: New Delhi**  
**Dated: 20.05.19**



# BALANCE SHEET AS AT 31ST MARCH, 2019

[Amount in Rupees]			
Particulars	Notes	As at 31st March 2019	As at 31st March 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	451,100,000	180,500,000
Reserves and Surplus	3	18,197,103	(756,016)
<b>Non-Current Liabilities</b>			
<b>Long-term Borrowings</b>	4	289,748,731	-
<b>Current liabilities</b>			
Short-term Borrowings	5	-	23,412,336
Trade Payables	6	160,449	670,113
Other Current Liabilities	7	86,075,766	2,137,413
Short-Term Provisions	8	8,447,736	803,226
<b>Total</b>		<b>853,729,785</b>	<b>206,767,072</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
(i) Tangible Assets	9	2,192,990	1,296,328
(ii) Intangible Assets	9	193,150	241,438
Capital Work-in-Progress		-	1,050,000
Intangible assets under development	9	- 2,532,203	-
Deferred Tax Assets (net)	10	206,548	213,819
Long-term loan and advances	11	711,223,057	104,524,358
<b>Current Assets</b>			
Current Investments	12	30,000,000	-
Cash and Cash Equivalents	13	93,035,144	95,648,848
Short-term loan and advances	14	548,709	-
Other current assets	15	13,797,987	3,792,283
<b>Total</b>		<b>853,729,785</b>	<b>206,767,072</b>

Summary of significant accounting policies 1

Other Notes 2-26

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

Sd/-  
(CA. AJAY AGGARWAL)  
PARTNER  
MEMBERSHIP NO: 090975

Place: New Delhi  
Dated: 20.05.19

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

Sd/-  
Gopal Bansal  
Managing Director  
DIN : 01246420

Sd/-  
Prerna Matta Arora  
CFO  
M.No 526558

Sd/-  
Gaurav Suri  
Director  
DIN : 03591092

Sd/-  
Varsha Bharti  
Company Secretary  
M.No. 37545

## STATEMENT OF TRADING & PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2019

<i>[Amount in Rupees]</i>			
Particulars	Notes	From 1st April 2018 to 31st March 2019	From 1st April 2017 to 31st March 2018
<b>A. CONTINUING OPERATIONS INCOME:</b>			
Revenue from operations	16	73,152,361	3,689,191
Other Income	17	1,625,097	7,946,720
<b>Total Revenue</b>		<b>74,777,458</b>	<b>11,635,911</b>
<b>EXPENDITURE:</b>			
Employee Benefit expenses	18	18,231,801	4,110,807
Financial Cost	19	10,080,134	469,149
Depreciation & Amortise expenses	9	820,516	194,827
Other Administrative expenses	20	18,652,567	7,031,476
<b>Total Expenses</b>		<b>47,785,018</b>	<b>11,806,259</b>
<b>Profit/(loss) before tax</b>		<b>26,992,440</b>	<b>(170,348)</b>
<b>Tax expenses</b>			
Current Tax		6,546,000	387,540
Deferred tax		7,271	(213,819)
<b>Net profit after tax for the year</b>		<b>20,439,169</b>	<b>(344,069)</b>
<b>Earning per share (EPS)</b>	21		
[nominal value of share Rs. 10/-]			
Basic		0.75	(0.02)
Diluted		0.75	(0.02)

Summary of significant accounting policies 1

Other Notes 26

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**

Sd/-  
(**CA. AJAY AGGARWAL**)  
**PARTNER**  
**MEMBERSHIP NO: 090975**

Place: New Delhi

Dated: 20.05.19

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

Sd/- Sd/-

**Gopal Bansal**  
**Managing Director**  
**DIN : 01246420**

**Gaurav Suri**  
**Director**  
**DIN : 03591092**

Sd/-  
**Prerna Matta Arora**  
**CFO**  
**M.No 526558**

Sd/-  
**Varsha Bharti**  
**Company Secretary**  
**M.No. 37545**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2019**

		<b>[Amount in Rupees]</b>	
		<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net profit before tax and after extra-ordinary items as per profit & loss account	26,992,440	(170,348)
	<b>Adjustments for items not included:</b>		
	Prior Period Expenses	-	1,124,610
	Depreciation	820,516	194,827
	Capital work-in-progress written off	1,050,000	-
	Operating Profit before working capital changes	28,862,956	1,149,089
	<b>Adjustment for Working capital:</b>		
	(Increase)/ decrease in long term loans & advances	(606,698,699)	(104,524,358)
	(Increase)/ decrease in other current assets	(10,005,703)	(3,637,900)
	(Increase)/ decrease in short term loan & advances	(548,709)	-
	Increase/ (decrease) in trade payables	(509,664)	665,113
	Increase/ (decrease) in Short term Borrowings	(23,412,336)	23,412,337
	Increase/ (decrease) in current liabilities	83,938,353	2,137,413
	<b>Cash generated from operations</b>	<b>(528,373,802)</b>	<b>(80,798,306)</b>
	Direct Taxes Paid	387,540	1,431
	Net cash flow from operating activities (A)	(528,761,342)	(80,799,737)
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Sale/(Purchase) of fixed assets	(4,201,091)	(2,782,594)
	Sale/(Purchase) of investments	(30,000,000)	-
	Net cash flow from investing activities (B)	(34,201,091)	(2,782,594)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceeds from issue of Share Capital	270,600,000	75,500,000
	Increase/ (decrease) in borrowings	289,748,731	
	<b>Net cash flow from financing activities (C)</b>	<b>560,348,731</b>	<b>75,500,000</b>
	Net cash flow during the year (A + B + C)	(2,613,703)	(8,082,331)
	Add: Opening cash and cash equivalents	95,648,846	103,731,177
	<b>Closing cash and cash equivalents</b>	<b>93,035,144</b>	<b>95,648,846</b>
	<b>Components of cash and cash equivalents</b>		
	Cash in hand	1,844,573	208,840
	Balances with banks	91,190,571	61,940,006

	Fixed Deposit with Bank	-	33,500,000
	<b>Total cash and cash equivalents (Note 16)</b>	<b>93,035,144</b>	<b>95,648,846</b>
		0	0

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**

**Sd/-  
(CA. AJAY AGGARWAL)  
PARTNER  
MEMBERSHIP NO: 090975**

**Place: New Delhi**

**Dated: 20.05.19**

**For and on behalf of the Board of Directors  
of**

**IFL HOUSING FINANCE LIMITED**

**Sd/- Sd/-  
Gopal Bansal Gaurav Suri  
Managing Director Director  
DIN : 01246420 DIN : 03591092**

**Sd/- Sd/-  
Prerna Matta Arora Varsha Bharti  
CFO Company Secretary  
M.No 526558 M.No. 37545**

## **IFL HOUSING FINANCE LIMITED**

### **NOTE '1'**

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

##### **i) 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.

##### **ii) Use of estimates:**

In conformity with Accounting Standard 1, the preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. These estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### **iii) System of Accounting:**

In conformity with Accounting Standard 1, the Financial Statements have been prepared in accordance with the provisions contained in the Companies Act, 2013, read with Schedule III thereto.

##### **iv) Fixed Assets:**

As per Accounting Standard 10, fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

##### **v) Depreciation:**

In compliance with the Accounting Standard 10, depreciation on fixed assets has been provided on written down value method at the rates specified in Schedule II of the Companies Act, 2013. Depreciation on assets purchased or sold during the year has been provided on pro-rata basis from the date they were put to use/till the date of sale.

##### **vi) Intangible assets:**

Intangible assets comprising of softwares which are stated at cost of acquisition including any cost attributable for bringing the same in its working condition less accumulated amortization. Any expenses on such software for support and maintenance payable annually are charged to revenue. Softwares that are put to use are amortised @ 20%p.a.

**vii) Investments:**

As per Accounting Standard 13, investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost except for investment property which is carried at cost less accumulated depreciation. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the non-current investments.

**viii) Income from Investments:**

Interest Income from investments is accounted on an accrual basis. The gain/ loss on account of discount/ premium on investments made in debentures/ bonds and government securities are recognized over the life of the security on a pro-rata basis.

**ix) Long Term Loans:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and other borrowing cost incurred in connection with the borrowing offunds.

**x) Interest on Loans:**

Repayments of loans are by way of Equated Monthly Installments (EMIs) comprising principal and interest. Interest on loans is computed either on an annual rest, on a monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.

Interest income accrued as earned with the passage of time. Interest on loan assets classified as 'Non-Performing' is recognised only on actual receipt.

**xi) Cash & cash equivalent:**

In conformity with Accounting Standard 3, cash and cash equivalents for the purpose of cash flow statement on balance sheet date comprise cash at bank and in hand and short-term investments with an original maturity of three months or less from the date of acquisition.

**xii) Cash Flow Statement:**

In conformity with Accounting Standard 3, cash flows are reported using the Indirect Method, Whereby Profit/ (Loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

**xiii) Revenue Recognition:**

In compliance with the Accounting Standard 9, revenue is recognized to the extent it is probable that the economic benefits will flow to the Company, there is no uncertainty as to the ultimate collection and the revenue can be reliably measured.

**Rendering of Services**

Revenue from rendering of services comprises income from time-and-material and fixed-price contracts. Revenue with respect to time and material basis is recognized when services are rendered.

**Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**xiv) Employee benefits:**

In conformity with Accounting Standard 15;

- a. Employee benefits include provident fund, employee state insurance scheme and compensated absences.
- b. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include bonus and performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.
- c. The company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
- d. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**xv) Taxation:**

The accounting treatment for the Income Tax in respect of Company's income is based on the Accounting Standard on Accounting for 'Taxes on Income' (AS 22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 (the "Income Tax Act").

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in

one or more subsequent periods. Deferred tax is measured using the tax rates and the tax law enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability. Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

**xvi) Provision for Standard Assets, Non Performing Assets and Contingencies:**

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.

**xvii) Inflation:**

Assets and liabilities are recorded at historical cost. These costs are not adjusted to reflect the changing value in the purchasing power of money.

**xviii) Borrowing Costs:** As per Accounting Standard 16, borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing cost are expensed in the period they occur.



Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

**xix) Earnings Per Share:** In conformity with Accounting Standard 20, basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operation. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

**xx) Contingent assets and liabilities:**

As per Accounting Standard 4 & 29, a contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**xxi) Goods and Service tax input**

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credit.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2018 TO 31ST MARCH 2019

2.	Share capital	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	<b>Authorised shares</b>		
	5,00,00,000 (P.Y. 250,00,000) Equity Shares of Rs.10/- each	500,000,000	250,000,000
	Issued, subscribed and fully paid- up shares		
	4,51,10,000 (PY 180,50,000) Equity Shares of Rs.10/- each fully paid up	451,100,000	180,500,000
		<b>451,100,000</b>	<b>180,500,000</b>

### a. Reconciliation of Shares outstanding at the beginning and at the end of reporting period

	As at 31st March 2019		As at 31st March 2018	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	18,050,000	180,500,000	10,500,000	105,000,000
Issue during the period:				
Equity share capital	27,060,000	270,600,000	7,550,000	75,500,000
Outstanding at the end of the period	45,110,000	451,100,000	18,050,000	180,500,000

### b. Terms and rights attached to equity shares

The company has issued only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to vote per share.

During the financial year 2017-18, 75,50,000 Equity Shares of Rs. 10/- each at par allotted in cash pursuant to the scheme of Right Issue.

During the financial year 2018-19, 1,18,05,000 Equity Shares of Rs. 10/- each at par allotted in cash pursuant to the scheme of Right Issue and 1,52,55,000 Equity Shares of Rs. Rs. 10/- each at par allotted pursuant to conversion of loan into Equity.

### c. Details of shareholders holding more than 5% shares in the company.

	As at 31st March 2019		As at 31st March 2018	
	No.	(Rupees)	No.	(Rupees)
India Finsec Limited	39,495,000	87.55%	17,200,000	95.29%
Mr. Gopal Bansal	3,355,000	7.44%	-	0.00%

3.	Reserves and surplus	As at 31st March 2019 (Rupees)		As at 31st March 2018 (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				
	Add: Transferred during the year	5,739,013		-	-
	Less: Utilized/transfer during the period	-		-	-
	Net Balance of Special Reserve		5,739,013		
	<u>Surplus/ (deficit) in statement of profit &amp; loss</u>				
	Balance as per last financial statements	(756,016)		3,739	
	Add: Profit/ (loss) for the year	20,439,169		(344,069)	
			19,683,153		(340,330)
	Less: Provision for Standard Assets as per NHB Act, 1987		1,486,050		415,686
	Less: Appropriation to Statutory reserve		5,739,013		-
			12,458,090		(756,016)
	Balance carried forward to Balance sheet		<b>18,197,103</b>		<b>(756,016)</b>

Note: 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.

4.		NON-CURRENT		CURRENT	
	<b>Long Term Borrowings</b>	<b>As at 31.03.19</b>	<b>As at 31.03.18</b>	<b>As at 31.03.19</b>	<b>As at 31.03.18</b>
	<b>(Secured, Term Loans)</b>	(Rupees)	(Rupees)	(Rupees)	(Rupees)
	From Banks	152,026,034		25,780,224	
	From other Non-banking financial institutions	137,722,697		52,302,948	
	Amount disclosed under the head			(78,083,172)	
	"Other Current Liabilities" (Note 7)				
		<b>289,748,731</b>	-	-	-

**NOTE:** Terms and Conditions of above loans are as follows:

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.

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.

5.		As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	<b>Short Term Borrowings</b>		
	(Unsecured, from holding company)		
	Loans from Related Party:		
	India Finsec Limited	-	23,412,336
		-	<b>23,412,336</b>

6.		As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	<b>Trade Payables</b>		
	Sundry Creditors	160,449	670,113
		<b>160,449</b>	<b>670,113</b>

7.		As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	<b>Other Current Liabilities</b>		
	Current Maturities of long term borrowings (Refer Note 4)	78,083,172	-
	Duties & Taxes	1,099,697	156,600
	Interest Accrued on Loan	697,314	-
	Insurance of Loan Applicant	938,409	900,213
	Other Expenses Payable	5,257,174	1,080,600
		<b>86,075,766</b>	<b>2,137,413</b>

8.		As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	<b>Short-term provisions</b>		
	<b>Provision for income tax</b>	6,546,000	387,540
	Provisions on Standard Assets	1,901,736	415,686
		<b>8,447,736</b>	<b>803,226</b>

NOTE: NHB vide notification No. NHB.HFC.DIR.18/MD&CEO/2017 dated August 02, 2017 reduced the provisioning requirement on standard individual home loans from 0.40% to 0.25 %.

## NOTE 9: Fixed Assets Schedule

Particular	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 31.03.18	Additions During the Year	Deductions During the Year	AS ON 31.03.19	UPTO 31.03.18	FOR THE YEAR	UPTO 31.03.19	AS ON 31.03.19	AS ON 31.03.18
<b>Tangible Assets:</b>									
<b>(A) Office Equipments</b>									
Air Conditioner	70,313	63,436	-	133,749	11,569	18,133	29,702	104,047	58,744
Biometric machine	11,220	14,560	-	25,780	792	6,952	7,744	18,036	10,428
CCTV Camera	-	49,730	-	49,730	-	8,798	8,798	40,932	-
Inverter	-	59,200	-	59,200	-	2,183	2,183	57,017	-
Mobile Phone	-	28,769	-	28,769	-	11,421	11,421	17,348	-
Photocopier Machine	-	58,474	-	58,474	-	10,782	10,782	47,692	-
Refrigerator	-	36,050	-	36,050	-	4,193	4,193	31,857	-
Video Conferencing system	544,400	-	-	544,400	72,201	122,252	194,453	349,947	472,199
<b>(B) Computers and Computer Peripherals</b>									
Computers	374,720	209,618	-	584,338	37,696	264,451	302,147	282,191	337,024
Laptops	-	164,493	-	164,493	-	28,821	28,821	135,672	-
Printers & Scanners	88,749	63,890	-	152,639	15,061	64,738	79,800	72,839	73,687
<b>(C) Furniture and Fixtures</b>									
Furniture & Fixtures	329,549	158,139	-	487,688	42,569	88,489	131,058	356,630	286,980

<b>(D) Vehicles</b>									
Motor Cycle	71,143	-	-	71,143	13,876	16,382	30,258	40,885	57,267
Car	-	762,529	-	762,529	-	124,632	124,632	637,897	-
<b>TOTAL TANGIBLE ASSETS</b>	<b>1,490,094</b>	<b>1,668,888</b>	<b>-</b>	<b>3,158,982</b>	<b>193,764</b>	<b>772,227</b>	<b>965,992</b>	<b>2,192,990</b>	<b>1,296,329</b>
<b>Intangible Assets:</b>									
Software	242,500	-	-	242,500	1,062	48,288	49,350	193,150	241,438
Software under development	1,050,000	2,532,203	1,050,000	2,532,203	-	-	-	2,532,203	1,050,000
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,292,500</b>	<b>2,532,203</b>	<b>1,050,000</b>	<b>2,774,703</b>	<b>1,062</b>	<b>48,288</b>	<b>49,350</b>	<b>2,725,353</b>	<b>1,291,438</b>

10.	Deferred tax Assets (net)	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	Opening Deferred tax (Asset)/Liability	213,819	-
	Add: Tax effect of timing difference	(7,271)	213,819
		<b>206,548</b>	<b>213,819</b>

11.	Long term Loan and Advances	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	Rent Security	156,500	103,000
	Long Term Loans	711,066,557	104,421,358
		<b>711,223,057</b>	<b>104,524,358</b>

**NOTE:** Long term loans represent secured housing loans given by the company against equitable mortgage of properties of the borrowers.

12.	Current Investments	No. of units	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	<u>Investment in Mutual Funds:</u>			
	<u>(unquoted, valued at cost)</u>			
	SBI Liquid Fund	10,256.78	30,000,000	-
			30,000,000	-

**Note:** There is no overall decline in the value of investment, permanent or otherwise. So, no provision is considered necessary for the same.

13.	Cash and cash equivalents	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	Cash in hand	1,844,573	208,841
	Balances with banks	91,190,571	61,940,007
	Fixed Deposit with Bank	-	33,500,000
		<b>93,035,144</b>	<b>95,648,848</b>

14.	Short-term loan and advances	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	Advances given	512,282	-
	security deposit	13,828	-
	Prepaid Expenses	22,599	-
		<b>548,709</b>	<b>-</b>

15.	Other Current Assets	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
	GST Input Claim	-	6,300
	cash collateral	7,500,000	-
	Interest accrued	5,679,772	2,306,103
	Loan Processing Fees receivable	-	141,600

	Other Current Assets	-	100,136
	TDS Recoverable	618,215	796,116
	GST Input	-	442,028
		<b>13,797,987</b>	<b>3,792,283</b>

16.	Revenue from operations	For the year ended 31st March 2019 (Rupees)	For the year ended 31st March 2018 (Rupees)
	<u>Sale of Services</u>		
	Interest Income on Loan	54,482,644	816,051
	Other Interest	7,427	-
	Processing & Other Fees Income	18,662,290	2,873,140
		<b>73,152,361</b>	<b>3,689,191</b>

17.	Other Income	For the year ended 31st March 2019 (Rupees)	For the year ended 31st March 2018 (Rupees)
	Surplus from deployment in cash management scheme of Mutual Fund	563,689	-
	Interest Income on FD	1,061,408	7,946,720
		<b>1,625,097</b>	<b>7,946,720</b>

**Note:** Surplus from deployment in cash management scheme of Mutual Fund is in the respect of Investments held as Current Investments.

18.	Employee benefit expenses	For the year ended 31st March 2019 (Rupees)	For the year ended 31st March 2018 (Rupees)
	Bonus	457,932	-
	Director Remuneration	2,275,000	-
	Employer Contribution of ESI	156,772	19,314
	Incentive	306,708	-
	Leave Encashment	207,198	-
	PF (Employer Contribution)	300,147	2,577
	PF Administrative Charges	13,929	-
	Salaries and wages	14,356,411	4,063,046
	Staff Welfare	157,704	25,870
		<b>18,231,801</b>	<b>4,110,807</b>

19.	Financial Cost	For the year ended 31st March 2019 (Rupees)	For the year ended 31st March 2018 (Rupees)
	Brokerage for Term loan	300,000	-
	Term loan Expenses	116,802	-
	Interest paid	9,663,332	469,149



		<b>10,080,134</b>	<b>469,149</b>
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<b>20.</b>	<b>Other administrative expenses</b>	<b>For the year ended 31st March 2019 (Rupees)</b>	<b>For the year ended 31st March 2018 (Rupees)</b>
	Advertisement Expenses	161,372	1,340,450
	Audit Fees	45,000	10,000
	Auditors remuneration	-	1,500
	Car Insurance	10,858	
	Commission Expenses	2,071,066	691,317
	Conveyance expenses	806,366	45,676
	Documentation & Stamp Charges	757,120	
	Fee & Subscriptions	2,857,271	1,373,980
	GST Reversal u/s 42	1,122,575	-
	Insurance Expenses	2,462	
	Legal & Technical Charges	1,270,850	97,400
	Prior Period Expenses	-	1,124,610
	Processing Fees	2,420,000	5,000
	Professional charges	1,591,477	1,315,792
	Rent Expenses	1,519,000	291,500
	Software Expenses	1,050,000	
	Tour & Travelling Expenses	144,146	177,737
	Valuation Report Charges	1,279,800	127,000
	Other Expenses	1,543,204	429,514
		<b>18,652,567</b>	<b>7,031,476</b>

<b>21.</b>	<b>Earning per share (EPS)</b>	<b>For the year ended 31st March 2019 (Rupees)</b>	<b>For the year ended 31st March 2018 (Rupees)</b>
	Net profit attributable to Equity Share holders	20,439,169	(344,069)
	Weighted average number of Shares	27,091,616	18,050,000
	Nominal Value of Equity Share	10.00	10.00
	EPS-Basic	0.75	(0.02)
	EPS-Diluted	0.75	(0.02)

**Note:** The Basic Earning per share has been computed by dividing the Profit After Tax by the weighted average number of equity shares for the respective periods.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**22.1) Disclosure of Related Party Transactions as per Accounting standard 18****NOTE '22'**

**List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Sr. No.	Name of the related party	Relationship
1.	Mr. Gopal Bansal (Managing Director)	Key Management Personnel (KMP) or their relatives
	Gopal Bansal HUF	
	Mr. Gaurav Suri	
	Kriti Suri	
	Mrs. Sunita Bansal	
	Mr. Mukesh Sharma (Ex-CFO)	
	Ms. Purna Matta Arora (CFO)	
	Ms. Varsha Bharti (CS)	
2.	India Finsec Limited	Holding Company

**Transactions with above parties were as under:**

Sr. No.	Nature of Transaction	During Current Year	During Previous Year
1	Rent paid	913,900	-
2	Remuneration/ Salary	4,398,051	421,555
3	Interest Paid	2,947,507	-
4	Loan taken	156,500,000	49,500,000
5	Loan repaid	179,912,336	26,505,754
6	Advance Given	8,200,000	-
7	Advance received back	8,200,000	-
8	Share Application Money (Shares allotted at FV of INR 10)	270,600,000	75,500,000
9	Reimbursement given	-	10,429

**Outstanding Balances with above parties were as under:**

Sr. No.	Nature of Transaction	As on 31-Mar-2019	As on 31-Mar-2018
1	Outstanding Rent	13,900	-
2	Outstanding Loan	-	23,412,336
3	Outstanding salary	111,168	324,575

22.2) Previous year figures which were audited by the predecessor auditors have been re-grouped / re-classified wherever necessary to correspond with current year's classification disclosure.

22.3) Contingent Liabilities not provided for: Rs. Nil (Previous year Rs.Nil)

## 23. Additional Disclosures In Terms of NHB Guidelines

### 23.1) Capital

Particulars	Current Year	Previous Year
CRAR (%)	131.94	427.00
CRAR-Tier I Capital (%)	131.94	427.00
CRAR-Tier II Capital (%)	-	-
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

### 23.2) Reserve Fund u/s 29C of NHB Act,1987

(in Crore)		
Particulars	Current Year	Previous Year
<b>Balance at the Beginning of the year</b>		
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	-	-
c) Total	-	-
<b>Addition/Appropriation/Withdrawal during the year</b>		
<b>Add:</b>		
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	0.57	-
<b>Less:</b>		
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	-	-
<b>Balance at the end of the year</b>		
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 under Section 29C of the NHB Act, 1987	0.57	-
c) Total		

### 23.3) Investments

(in Crore)		
Particulars	Current Year	Previous Year
<b>Value of Investments</b>		
(i) Gross value of Investments		
(a) In India	3.00	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	3.00	-
(b) Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	Not Applicable	Not Applicable
(ii) Add: Provisions made during the year	Not Applicable	Not Applicable
(iii) Less: Write-off / Written-bank of excess provisions during the year	Not Applicable	Not Applicable
(iv) Closing balance	Not Applicable	Not Applicable

### 23.4) Derivatives

#### 23.4.1) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	Current Year	Previous Year
(i) The notional principal of swap agreements	Not Applicable	Not Applicable
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Not Applicable	Not Applicable
(iii) Collateral required by the HFC upon entering into swaps	Not Applicable	Not Applicable
(iv) Concentration of credit risk arising from the swaps \$	Not Applicable	Not Applicable

(v) The fair value of the swap book @	Not Applicable	Not Applicable
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.		
\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.		

### 23.4.2) Exchange Traded Interest Rate (IR) Derivative

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Not Applicable
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2019 (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

### 23.4.3) Disclosures on Risk Exposure in Derivatives

#### A. Qualitative Disclosure

Company has no exposure in Derivatives. Hence Clause 5.4.3 is not Applicable

#### B. Quantitative Disclosure

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

### 23.5) Securitisation

#### 23.5.1)

Particulars	Amount
1. No of SPVs sponsored by the HFC for securitization transactions	Not Applicable
2. Total amount of securitised assets as per books of the SPVs sponsored	Not Applicable

3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	Not Applicable
(I) Off-balance sheet exposures towards Credit Enhancements	Not Applicable
(II) On-balance sheet exposures towards Credit Enhancements	Not Applicable
4. Amount of exposures to securitisation transactions other than MRR	Not Applicable
(I) Off-balance sheet exposures towards Credit Enhancements	Not Applicable
a) Exposure to own securitizations	Not Applicable
b) Exposure to third party securitisations	Not Applicable
(II) On-balance sheet exposures towards Credit Enhancements	Not Applicable
a) Exposure to own securitisations	Not Applicable
b) Exposure to third party securitisations	Not Applicable
*Only the SPVs relating to outstanding securitisation transactions may be reported here	

### 23.5.2) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	Current Year	Previous Year
(i) No. of accounts	Not Applicable	Not Applicable
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Not Applicable	Not Applicable
(iii) Aggregate consideration	Not Applicable	Not Applicable
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Not Applicable	Not Applicable
(v) Aggregate gain / loss over net book value	Not Applicable	Not Applicable

### 23.5.3) Details of Assignment transactions undertaken by HFCs

Particulars	Current Year	Previous Year
(i) No. of accounts	Not Applicable	Not Applicable
(ii) Aggregate value (net of provisions) of accounts assigned	Not Applicable	Not Applicable
(iii) Aggregate consideration	Not Applicable	Not Applicable
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Not Applicable	Not Applicable
(v) Aggregate gain / loss over net book value	Not Applicable	Not Applicable

### 23.5.4) Details of non-performing financial assets purchased / sold

#### A. Details of non-performing financial assets purchased:

Particulars	Current Year	Previous Year
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	Current Year	Previous Year
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

**23.6) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)**

ALM Reporting is not applicable on the HFC for the year ended 31 March 2019

<b>Particulars</b>	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years
<b>Liabilities</b>									
Deposits									
Borrowings from Bank	0.21	0.21	0.21	0.64	1.29	5.16	5.11	3.96	0.99
Market Borrowing	0.32	0.4	0.4	1.21	2.91	9.4	4.36	0	0
Foreign Currency Liabilities									
<b>Assets</b>									
Advances	0.13	0.14	0.14	0.43	0.90	4.44	6.13	8.48	19.16
Investments		3							
Foreign Currency Assets									



**23.7) Exposure****23.7.1) Exposure to Real Estate Sector**

Category	Current Year	Previous Year
<b>A) Direct Exposure</b>		
<b>(i) Residential Mortgages -</b>		
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)	-	-
<b>(ii) Commercial Real Estate -</b>		
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;	-	-
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a) Residential	-	-
b) Commercial Real Estate	-	-
<b>B) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

**23.7.2) Exposure to Capital Market**

Particular	Current Year	Previous Year
(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)	-	-
<b>Total Exposure to Capital Market</b>	-	-

### 23.7.3) Details of financing of parent company products

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

### 23.7.4) 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).

### 23.7.5) Unsecured Advances

None of the Advances of Company are reckoned as unsecured

## 24. Miscellaneous

### 24.1) Registration obtained from other financial sector regulators

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

### 24.2) Disclosure of Penalties imposed by NHB and other regulators

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

### 24.3) Related party Transactions

Detailed information furnished under Notes to Accounts (please refer point no. 21.1 forming part of Notes to Accounts).

#### **24.4) 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.

#### **24.5) Remuneration of Directors**

Detailed information furnished under Notes to Accounts (please refer point no. 21.1 forming part of Notes to Accounts).

#### **24.6) Management**

As provided in Board of Directors' Report.

#### **24.7) Net Profit or Loss for the period, prior period items and changes in accounting policies**

(In Crore)	
Net Profit for the period (before tax)	2.70
Prior Period Items	Nil
Changes in Accounting Policies	Nil

#### **24.8) Revenue Recognition**

There is no deferment of revenue recognition.

#### **24.9) Accounting Standard 21 – Consolidated Financial Statements (CFS)**

Not Applicable.

### **25. Additional Disclosures**

#### **25.1) Provisions and Contingencies**

(in Crore)		
<b>Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account</b>	<b>Current Year</b>	<b>Previous Year</b>
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	0.65	0.04
3. Provision towards NPA	-	-
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	0.19	0.04
5. Other Provision and Contingencies (with details)	-	-

(in Crore)		
Break up of Loan & Advances and Provisions thereon	Housing	
	Current Year	Previous Year
Standard Assets		
a) Total Outstanding Amount	71.11	10.44
b) Provisions made	0.19	0.04
Sub-Standard Assets		
a) Total Outstanding Amount	-	-
b) Provisions made	-	-
Doubtful Assets – Category-I		
a) Total Outstanding Amount	-	-
b) Provisions made	-	-
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.

## 25.2) Draw Down from Reserves

Company has not drawn any amount from reserves.

## 25.3) Concentration of Public Deposits, Advances, Exposures and NPAs

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

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	Not Applicable	Not Applicable
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	Not Applicable	Not Applicable

### 25.3.2) Concentration of Loans & Advances

(in Crore)		
Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	12.81	4.65

Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	18%	44.74%
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### 25.3.3) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers / customers	12.81	4.65
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	18%	44.74%

### 25.3.4) Concentration of NPAs

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	NIL	NIL

### 25.3.5) Sector-wise NPAs

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

### 25.4) Movement of NPAs

Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	-	-
(II) Movement of NPAs (Gross)		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
(III) Movement of Net NPAs		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
(IV) Movement of provisions for NPAs (excluding		

provisions on standard assets)		
a) Opening balance	-	-
b) Provisions made during the year	-	-
c) Write-off/write-back of excess provisions	-	-
d) Closing balance	-	-

## 25.5) Overseas Assets

Particulars	Current Year	Previous Year
Overseas Assets	-	-

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

Name of the SPV sponsored	
Domestic	Overseas
Not Applicable	Not Applicable

## 26. Disclosure of Complaints

### 26.1) Customers Complaints

Particulars	Current Year	Previous Year
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	-	-

### Signatures for notes "1 to 26"

#### AS PER OUR REPORT OF EVEN DATE ATTACHED

For AJAY RATTAN & CO.,

CHARTERED ACCOUNTANTS,

FRN: 012063N

Sd/-  
(CA. AJAY AGGARWAL)

PARTNER

MEMBERSHIP NO: 090975

Place: New Delhi

Dated: 20.05.19

For and on behalf of the Board of Directors  
of

IFL HOUSING FINANCE LIMITED

Sd/-

Gopal Bansal  
Managing Director  
DIN : 01246420

Sd/-

Gaurav Suri  
Director  
DIN : 03591092

Sd/-

Prerna Matta Arora  
CFO  
M.No 526558

Sd/-

Varsha Bharti  
Company Secretary  
M.No. 37545



**IFL HOUSING FINANCE LIMITED**

**CIN- U65910DL2015PLC285284**

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

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

**Form No. MGT-11**

**PROXY FORM**

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

**CIN: U65910DL2015PLC285284**

**Name of the Company: IFL Housing Finance Limited**

**Registered Office: D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi 110085**

**Name of the member(s):**

**Registered Address :**

**Email ID:**

**Folio No./Client ID :**

**DP ID :**

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

1. Name :

Address :

Email ID : \_\_\_\_\_  
Or failing him

2. Name :

Address :

Email ID : \_\_\_\_\_  
Or failing him

3. Name :

Address :

EmailID: \_\_\_\_\_  
Or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the Fourth Annual General Meeting of the Company to be held on Monday, 26<sup>th</sup> August, 2019 at 12:00 p.m. at **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi 110085** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the financial statements of the company for the financial year ended March 31, 2019 including Audited Balance Sheet as on March 31, 2019, Cash Flow Statement and the Statement of Profit and Loss, for the financial year ended on March 31, 2019, along with the reports of the Board of Directors('the Board') and the Auditors thereon.
2.	To appoint a Director in place of Mr. Gaurav Suri (DIN: 03591092), who retires by rotation and, being eligible, offers himself for re-appointment.
3.	To consider the re-appointment of Statutory Auditors of the company and fix their remuneration.
<b>Special Business</b>	
4.	Increase in the Authorised Share Capital of the Company and alteration of Capital Clause contained in the Memorandum of Association.
5.	Appointment of Mrs. Purva Mangal (DIN: 02816099) as Non- Executive Director of the company.

Signed this.....Day of.....2019

Affix  
Rs. 1/-  
Revenue  
Stamp

Signature of the member.....

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

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





**IFL HOUSING FINANCE LIMITED**

**CIN- U65910DL2015PLC285284**

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

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

**ATTENDANCE SLIP**

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

I/we hereby record my presence at the Fourth Annual General Meeting of the Shareholders of IFL Housing Finance Limited held on Monday, 26<sup>th</sup> August, 2019 at 12:00 p.m. at **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.**

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

*\*Applicable for shareholders holding shares in electronic form.*

### ROUTE MAP TO THE VENUE OF AGM

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

