



INDIABULLS HOUSING FINANCE LIMITED

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Indiabulls Group Tax Strategy

Indiabulls Housing Finance Limited (IHFL) and its Group companies have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Company Overview:

Indiabulls Housing Finance Limited (IHFL or the Company), was incorporated on May 10, 2005, under the Companies Act, 1956, and obtained certificate for commencement of business on January 10, 2006, to enable it to carry on the business of housing finance.

In the initial years, lending operations were consolidated under the NBFC Indiabulls Financial Services Limited (IBFSL). With the housing finance business gaining prominence and in line with the strategy of focusing on retail mortgage finance, IBFSL was reverse merged into IHFL.

IHFL offers loan products such as home loans, MSME loans, residential construction finance as well as lease rental discounting. It offers loans to small businesses and MSMEs against their properties, as well as home loans for non-residential Indians and persons of Indian origin.

Group tax strategy:

The group tax strategy is aligned to the Company's corporate governance practice, value system and its enterprise risk management framework.

Integrity and transparency are key to the corporate governance practices to ensure that we gain and retain the trust of all the stakeholders at all times.

The tax strategy charter comprises the following:

1. Governance
2. Compliance
3. Planning

1. Tax Governance

The Board's, Audit and Risk Committee has oversight of identification, evaluation and mitigation of strategic, operational, legal and compliance risks. This Tax Strategy is approved by the Board and is monitored by the group tax team and Group Tax Head within the overall control and governance framework of the Company. The Company's code of conduct also expresses our commitment to conducting business ethically. It explains what it means to act with integrity and transparency in everything we do and in accordance with our unique culture and values

2. Tax Compliance

As regulatory compliance is a key objective for the company, the Company complies with the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which during the specified period gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

3. Tax planning

As a policy, the Company does not undertake aggressive tax planning, does not tolerate tax evasion, nor does it tolerate the facilitation of tax evasion by any person(s) acting on the behalf of the company. The Company recognizes that it has a responsibility to pay appropriate tax in each of the jurisdictions in which it operates. The company endeavours to operate in an efficient and legally compliant manner and may seek external advice in relation to tax matters or areas of complexity or uncertainty to support The Company in complying with its tax strategy.