IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

IIFL Home Finance Limited (the "**Company**" or "**Issuer**") was incorporated at Mumbai on December 26, 2006 with the name India Infoline Housing Finance Limited under the provisions of the Companies Act, 1956. The name of our Company was changed to IIFL Home Finance Limited pursuant to a fresh certificate of incorporation dated on May 2, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company is registered with the National Housing Bank ("**NHB**") as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. For more information about the Company, please refer "*General information*" and "*History and Main Objects*" on pages 44 and 111.

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India.; **Tel.:** +91 22 4103 5000; **Fax:** +91 22 2580 6654
Corporate Office: Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122015, India; **Tel.:** (91-0124) 4754 600;
CIN: U65993MH2006PLC166475; **Website:** www.iifl.com/home-loans; **Email:** secretarialhfc@iifl.com
Company Secretary and Compliance Officer: Ajay Jaiswal

PUBLIC ISSUE BY THE COMPANY OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1000 EACH ("SECURED NCDs") AND/OR UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 1000 EACH ("UNSECURED NCDs") (SECURED NCDs AND UNSECURED NCDs ARE COLLECTIVELY REFERRED TO AS "DEBENTURES" OR "NCDs") FOR AN AMOUNT AGGREGATING UPTO RS. 50,000 MILLION ("SHELF LIMIT") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE UNSECURED DEBENTURES WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER II CAPITAL. THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATION, 2008, AS AMENDED FROM TIME TO TIME (THE "SEBI DEBT REGULATION") AND COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our Promoter is IIFL Finance Limited (formerly known as IIFL Holdings Limited). For details of our Promoter, please refer to the section *"Our Promoter"* on Page 129.

GENERAL RISKS

Investors are advised to read the Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus carefully before taking an investment decision in the Issue. For taking an investment decision the investor must rely on his own examination of the Issuer and the Issue including the risks involved. Specific attention of the Investor is invited to ***"Risk Factors"*** and ***"Material Developments"*** on pages 19 and 308 respectively of this Draft Shelf Prospectus, in the Shelf Prospectus and the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (**"SEBI"**), the Reserve Bank of India (**"RBI"**), the National Housing Bank ("**NHB**") any registrar of companies or any stock exchange in India, nor do they guarantee the accuracy or adequacy of this Draft Shelf Prospectus.

ISSUER ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus read together with the Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue does contain and will contain all information with regards to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue. The information contained in this Draft Shelf Prospectus read together with the Shelf Prospectus and relevant Tranche Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the section titled "*Issue Related Information*" on page 371.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "**CRISIL AA/Stable**" (pronounced as CRISIL double A rating with stable outlook) for an amount of ₹50,000 million by CRISIL Ratings Limited ("**CRISIL**") vide their rating letter dated June 11, 2021 and "**BWR AA+/ Negative (Assigned)**" (pronounced as "BWR Double A plus with Negative outlook") for an amount of ₹ 50,000 million by Brickwork Ratings India Private Limited vide their rating letter dated June 11, 2021. The aforesaid rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexures A and B* of this Draft Shelf Prospectus for the rationale of the above ratings.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with the Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company has received an 'in-principle' approval from BSE *vide* its letter no. [●] dated [●] and NSE *vide* its letter no. [●] dated [●]. NSE shall be the designated stock exchange for the Issue.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated June 17, 2021, has been filed with the BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (upto 5 p.m.) from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098, Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: iihfl.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Ms. Bhavana Kapadia
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

IIFL Securities Limited*
10th Floor, IIFL Centre,
Kamala Centre, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400 013, Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
Email: iiflhome.ncd@iiflcap.com
Investor Grievance Email: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Ms. Nishita Mody
Compliance Officer: Mr. Pawan Jain
SEBI Registration No.: INM000010940
CIN: L99999MH1996PLC132983

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020, Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Email: iiflhome.ncd@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Mr. Rupesh Khant
Compliance Officer: Mr. Ankit
SEBI Registration Number: INM000011179
CIN: L67120MH1995PLC086241

LEAD MANAGERS TO THE ISSUE

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051, Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5066
Email: projectdawn@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Brijmohan Bohra
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013, Maharashtra, India
Tel: +91 (022) 4332 0700
Fax: +91(022) 4332 0750
Email: iiflhome.ncd@equirus.com
Investor Grievance Email:
investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Mr. Ankit Jain
Compliance Officer: Mr. Jyot Bhat
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083,
Maharashtra, India
Tel.: + 91 22 4918 6200
Fax: + 91 22 4918 6195
Email: iiflhome.ncd@linkintime.co.in
Investor Grievance Email:
iiflhome.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Compliance Officer: B.N. Ramakrishnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

DEBENTURE TRUSTEE TO THE ISSUE

Catalyst Trusteeship Limited**
GDA House, Plot No. 85,
Bhusari Colony (Right), Kothrud,
Pune – 411 038, Maharashtra, India
Tel: 022 - 49220555
Fax: 022 - 49220505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email:
grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
Compliance Officer: Rakhi Kulkari
SEBI Registration No.: IND000000034
CIN: U74999PN1997PLC110262

ISSUE PROGRAMME***

Issue opens on: As specified in the relevant Tranche Prospectus	**Issue Closes on:** As specified in the relevant Tranche Prospectus

* *IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*

** *Catalyst Trusteeship Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated May 28, 2021, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue and the same is annexed as Annexure C in this Draft Shelf Prospectus.*

*** *The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Finance Committee, thereof, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. to 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to our section titled "General Information" on page 44. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 371.*

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Sections 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the section titled "Material Contracts and Documents for Inspection" on page 435.

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Shelf Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Draft Shelf Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Draft Shelf Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI Debt Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

General Terms

Term	Description
"IIHFL" or "Company" or "the Company" or "the Issuer" or "our Company"	IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited), a company incorporated under the Companies Act, 1956, validly existing under Companies Act, 2013 and registered as a housing finance company with the NHB having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate Thane – 400604, Maharashtra, India.
"we" or "us" or "our"	Unless the context otherwise requires, IIFL Home Finance Limited.

Company Related Terms

Term	Description
"Articles" or "Articles of Association" "AOA"	Articles of Association of our Company
Asset Liability Management Committee or ALCO	Asset Liability Management Committee of the Board of Directors
Associate Company or "SML"	Samasta Microfinance Limited
Audit Committee	Audit committee of the Board of Directors
"Auditors" or "Statutory Auditors"	The statutory auditors of the Company, M/s M.P. Chitale & Co., Chartered Accountants
"Board" or "Board of Directors" or "our Board" or "our Board of Directors"	Board of Directors of our Company or any duly constituted committee thereof.
Committee	A committee constituted by the Board, from time to time.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of the Board of Directors
Corporate Office	The corporate office of our Company is at Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122015, India.
Credit Committee	Credit Committee as constituted by the Board of Directors
Directors	Directors of the Company
DSA	Direct Selling Agent
Equity Shares	Equity shares of the Company of face value of ₹ 10 each
Finance Committee	Finance committee as constituted by the Board of Directors
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
IT Strategy Committee	IT strategy committee as constituted by the Board of Directors
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Draft Shelf Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013, as under: *"key managerial personnel", in relation to a company, means –* *i. the chief executive officer or the managing director or the manager;* *ii. the company secretary;*

Term	Description
	iii. the whole-time director; *iv. the chief financial officer; and* *v. such other officer not more than one level below the directors who is in whole-time employment designated as key managerial personnel by the Board; and such other officer as may be prescribed"*
LAP	Loan Against Property
Loan Book	Loan book of the Company recording relevant entries of the secured and/or unsecured loans advanced by the Company
"Memorandum" or "MoA" or "Memorandum of Association"	Memorandum of Association of our Company
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors
Net-worth	As defined in Sec 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Preference Shares	Preference shares of the Company
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018.
"Promoter" or "our Promoter"	The promoter of our Company is IIFL Finance Limited (formerly known as IIFL Holdings Limited)
Reformatted Financial Statement under Ind AS	The Reformatted Statement of Assets and Liabilities of our Company as at March 31, 2021, March 31, 2020 and March 31, 2019 and the Reformatted Statement of profit and loss for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Reformatted Statement of Cash Flows for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Reformatted Statement of Changes in Equity for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Statement of Significant Accounting Policies and notes forming part thereof. The audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 form the basis for such Reformatted Financial Statement under Ind AS.
Reformatted Financial Statement under IGAAP	The reformatted statement of assets and liabilities of our Company as at March 31, 2018 and March 31, 2017 and the reformatted statement of profit and loss for the year ended March 31, 2018 and March 31, 2017 and the reformatted statement of cash flows for the year ended March 31, 2018 and March 31, 2017 and the Statement of Significant Accounting Policies and notes forming part thereof. The audited financial statements as at and for the year ended March 31, 2018 and March 31, 2017 form the basis for such Reformatted Financial Statement under Indian GAAP.
Reformatted Financial Statements	The Reformatted Financial Statements under Ind AS and the Reformatted Financial Statements under IGAAP
Registered Office	The registered office of our Company is at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India
Risk Management Committee	Risk Management Committee of the Board of Directors
RoC/Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
Shareholders	The holders of the Equity Shares from time to time

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing salient features of the Shelf Prospectus and the relevant Tranche Prospectus(es)

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
"Allotment", "Allot" or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the Issue
Allottee(s)	A successful Applicant to whom the NCDs will be/have been allotted
"Applicant" or "Investor" or "Bidder" or "ASBA Applicant"	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es) and Abridged Prospectus and the Application Form for any Tranche Issue
"ASBA" or "Application Supported by Blocked Amount" or "Application" or "ASBA Application" or "Bid"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising the relevant SCSB to block the Application Amount in the relevant ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto ₹ 2,00,000 which will be considered as the application for Allotment in terms of this Draft Shelf Prospectus.
Application Amount/Bid Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus(es) or the amount blocked in the ASBA Account
Application Form / ASBA Form / Bid cum Application Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the application for Allotment of NCDs in terms of this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es)
ASBA Account	A bank account maintained with a SCSB as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto INR 2,00,000 as specified in the Application Form
ASBA Circular / Debt Application Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018
Banker(s) to the Issue	Collectively Sponsor Bank, Public Issue Account Bank(s) and Refund Bank(s)
Base Issue Size	As may be specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	As may be specified in the relevant Tranche Prospectus for each Tranche Issue
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com and updated from time to time.
Brickwork/BWR	Brickwork Ratings India Private Limited
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Brokers are available on the website of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds)

Term	Description
	Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue
Category IV (Retail Individual Investors) or Retail Individual Bidder(s) or RIB(s) applying through UPI)	Retail individual investors, resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the Debt ASBA Circular and Debt UPI Circular
Credit Rating Agencies	CRISIL and Brickwork
CRISIL	CRISIL Ratings Limited
Lead Broker Agreement	The agreement to be entered into between our Company and Members of Syndicate/Lead Brokers and as specified in the relevant Tranche Prospectus for each Tranche Issue
Syndicate Members/Lead Brokers	As specified in the relevant Tranche Prospectus for each Tranche Issue
Syndicate / Members of the Syndicate (each individually, a member of the syndicate)	The Lead Managers and Lead Brokers
Debentures / NCDs	A collective reference to Secured NCDs and/or Unsecured NCDs
Debenture Holder(s)/ NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.

Term	Description
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Trustees for the NCD holders in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement dated June 16, 2021, entered into between the Debenture Trustee and the Company
Debt UPI Circular	Circular issued by SEBI on November 23, 2020 titled "Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015" bearing reference number SEBI/HO/DDHC/CIR/P/2020/233 as amended from time-to-time.
Deemed Date of Allotment	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or the Finance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code, bank account detail and UPI ID, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi= yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus, relevant Tranche Prospectus following which the NCDs will be Allotted in the Issue
Designated Intermediaries	Collectively, the Lead Managers, the Syndicate Members/Lead Brokers, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Syndicate, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the Debt UPI Circular
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of INR 2,00, 000) are available on the website of the Stock Exchange.
Designated Stock Exchange	The designated stock exchange for the Issue, being the NSE Limited
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
Draft Shelf Prospectus	This draft shelf prospectus dated June 17, 2021, filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations

Term	Description
Interest / Coupon Payment Date	As specified in relevant Tranche Prospectus
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1000 each ("**Secured NCDs/Debentures**") and/or unsecured subordinated redeemable non-convertible debentures of the face value of ₹ 1000 each ("**Unsecured NCDs/Debentures**") (Secured NCDs and unsecured NCDs are collectively referred to as "**Debentures**" or "**NCDs**") for an amount aggregating upto ₹ 50,000 million ("**Shelf Limit**") (hereinafter referred to as the "**Issue**"), The Unsecured Debentures will be in the nature of subordinated debt and will be eligible for inclusion as Tier II Capital.
Issue Agreement	The Issue Agreement dated June 16, 2021, entered between the Company and the Lead Managers
Issue Closing Date	Issue closing date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
Lead Brokers	As specified in each relevant Tranche Prospectus
Lead Managers	Edelweiss Financial Services Limited, IIFL Securities Limited*, ICICI Securities Limited, Trust Investment Advisors Private Limited and Equirus Capital Private Limited *IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("**Merchant Bankers Regulations**"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.
Market Lot	1 (One) NCD
Maturity Amount or Redemption Amount	As specified under relevant Tranche Prospectus(es)
"Maturity Date" or "Redemption Date"	As specified under relevant Tranche Prospectus(es)
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document(s)	This Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus and/or the Application Form along with supplemental information, if any.
Public Issue Account	A bank account to be opened with the Bankers to the Issue to receive money from the ASBA Accounts on the Designated Date as specified under relevant Tranche Prospectus
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for the appointment of the Sponsor Bank in accordance with the Debt UPI Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof and as specified under relevant Tranche Prospectus(es)
Public Issue Account Bank	As specified in the relevant Tranche Prospectus(es)
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors and/or Finance Committee as constituted by the

Term	Description
	Board of Directors, from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company will be deemed as the Record Date.
Recovery Expense Fund	A fund which would be deposited by our Company with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made as specified in the relevant Tranche Prospectus(es)
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified under relevant Tranche Prospectus(es)
Register of NCD holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registrar Agreement	Agreement dated June 16, 2021, entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchanges having nationwide terminals, other than Syndicate and eligible to procure Applications from Applicants
Registrar to the Issue or Registrar	Link Intime India Private Limited
Resident Individual	An individual who is a person resident in India
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue
Secured Debenture Holder(s)/ Secured NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the Depository and/or the register of Secured NCD Holders (if any) maintained by our Company if required under applicable law.
Secured NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each
Security	The principal amount of the Secured NCDs to be issued in terms of the Draft Shelf Prospectus, the Shelf Prospectus and/or the relevant Tranche Prospectus(es) together with all interest due and payable on the Secured NCDs, thereof shall be secured by way of first pari-passu/specified charge in favour of the Debenture Trustee on present and future receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of atleast 100% of the outstanding principal amounts of the Secured NCDs and interest thereon is maintained at all time until the Maturity Date, more particularly as detailed in the section titled "*Issue Structure*" on page 371. We have received necessary consents from the relevant debenture trustees and security trustees, for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. No security will be created for the Unsecured NCDs to be issued in terms of the Issue.
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 50,000 million to be issued under this Draft Shelf Prospectus through one or more Tranche Issues.
"Specified Cities" or "Specified Locations"	Bidding centres where the Consortium shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and

Term	Description
	updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank	The Banker to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto INR 2,00,000 and carry out any other responsibilities in terms of the Debt UPI Circular and as specified in the relevant Tranche Prospectus(es)
Stock Exchange(s)	BSE and NSE
Subordinated Debt	Subordinated Debt means a fully paid up instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of a non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder: Remaining maturity of the instruments and rate of discount: • up to one year 100%; • more than one year but up to two years 80%; • more than two years but up to three years 60%; • more than three years but up to four years 40%; and • more than four years but up to five years 20% to the extent such discounted value does not exceed fifty per cent of Tier I capital.
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Syndicate Members/Lead Brokers, the Trading Members of the Stock Exchange or the Designated Intermediaries
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Intermediaries registered with a Lead Broker or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus(es)	The relevant Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions in respect of the relevant Tranche Issue
Transaction Documents	Transaction documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection*" on page 435.
Tripartite Agreements	Tripartite Agreement dated September 9, 2010, entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated December 17, 2012, entered into between our Company, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.

Term	Description
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI Circular no. SEBI/HO/DDHS/CIR/P/2020/233 dated November 23, 2020, as amended from time to time, to block funds for application value upto ₹ 2,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
"UPI Mandate Request" or "Mandate Request"	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
Unsecured NCDs	Unsecured, Subordinated, Redeemable, Non-Convertible debentures of a face value of ₹ 1,000 each and are not secured by any charge on the assets of IIHFL, which will be in the nature of Subordinated Debt and will be eligible for Tier II Capital and subordinate to the claims of all other creditors of the Company.
Unsecured Debenture Holder (s) / Unsecured NCD Holder(s)	The holders of the Unsecured NCDs whose name appears in the database of the Depository and/or the register of Unsecured NCD Holders (if any) maintained by our Company if required under applicable law.
Web Interface	Web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
Working Days	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e., period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai, as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/Full Form
"₹", "Rupees", "Indian Rupees" or "Rs.", "INR"	The lawful currency of the Republic of India
"US$", "USD", and "U.S. Dollars"	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
ALM	Asset Liability Management
AMC	Asset Management Company
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ASBA	Application supported by blocked amounts
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
BSE	BSE Limited

Term/Abbreviation	Description/Full Form
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
Depositories	CDSL and NSDL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
"DP" or "Depository Participant"	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DT Circular	Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 issued by SEBI on November 3, 2020, as amended from time to time
EGM	Extraordinary General Meeting
Fair Practices Code	Fair Practices Code under RBI Master Directions
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations / FEMA20 (R)	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
"Financial Year", "Fiscal" or "FY"	Period of 12 months ended March 31 of that particular year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
"Government"	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company, in terms of the RBI Master Directions
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
"Income Tax Act" or "IT Act"	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996

Term/Abbreviation	Description/Full Form
NI Act	The Negotiable Instruments Act, 1881, as amended from time to time
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NHB Directions	Master Circular - Housing Finance Companies (NHB) Directions, 2010 dated July 1, 2019, regulated by RBI Master Directions
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NPA	Non-performing assets, in relation to the RBI Master Directions, shall have the meaning ascribed to it in the RBI Master Directions
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Master Directions	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SBI	State Bank of India Limited
SCRA	Securities Contracts Regulation Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and circulars issued thereunder
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment
Stage 2 Provision	Stage 2 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date
Stage 3 Provision	Stage 3 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS

Term/Abbreviation	Description/Full Form
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
BBA	Indian Bullion and Jewellers Association Limited, formerly known as Bombay Bullion Association Limited
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MFI	Microfinance institutions
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important Non Deposit taking NBFC
NHB	National Housing Bank
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NOF	Net owned funds
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021
MSME	Micro, Small and Medium Enterprises
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.
Tier II Capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%;(c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; to the extent the aggregate does not exceed Tier-I capital

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Tax Benefits", "Summary of Key Provisions of Articles of Association", "Financial Statements" and "Other Regulatory and Statutory Disclosures" on pages 44, 19, 71, 135, 62, 420, 144 and 335, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors" "Industry Overview" and "Regulations and Policies", on pages 93, 19, 71 and 135 respectively, shall have the meaning ascribed to them hereunder.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to "India" are to the Republic of India and its territories and possessions. All references to the Government or State Government are to Government of India, Central or State, as applicable.

Presentation of Financial Information

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Our Company's financial statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 have been prepared in accordance with Ind AS.

Our Company's financial statements for the year ended March 31, 2018 and March 31, 2017 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 15/2013 dated September 13, 2013 and/or General Circular 8/2014 dated April 4, 2014, as applicable.

With effect from April 01, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Financial Companies dated January 18, 2016, for financial reporting purposes, our Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 and/or Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**"), as applicable.

The Reformatted Financial Statements under Ind AS and the Reformatted Financial Statements under IGAAP are included in this Draft Shelf Prospectus and collectively referred to hereinafter as the "**Reformatted Financial Statements**". The examination reports on the Reformatted Financial Statements as issued by our Company's Statutory Auditor, M.P. Chitale & Co., are included in this Draft Shelf Prospectus in the section titled "*Financial Statements*" beginning at page 144.

The financial data and numbers used in this Draft Shelf Prospectus are under Ind AS and IGAAP, as specifically mentioned in this Draft Shelf Prospectus and is not strictly comparable.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Draft Shelf Prospectus as at March 31, 2021, March 31, 2020 and March 31, 2019 is prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended for time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of Companies Act, 2013.

Unless stated otherwise, the financial data used in this Draft Shelf Prospectus is derived from our Company's Reformatted Financial Statements as at and for the year ended March 31, 2018 and March 31, 2017, prepared in accordance with the Accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Draft Shelf Prospectus is on a standalone basis.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Draft Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Draft Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft Self Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The extent to which the market and industry data used in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Our Company has relied on the "*NBFCs Report June 2021*" issued by CRISIL Limited for industry related data that has been disclosed in this Draft Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to "₹", "Indian Rupees", "INR", "Rs.", "₹" and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Draft Shelf Prospectus, data will be given in INR or Indian Rupees in million.

Certain figures contained in this Draft Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

India has decided to adopt the "Convergence of its existing standards with IFRS" referred to as the "Indian Accounting Standards" or "Ind AS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018.
There are significant differences between Indian GAAP and Ind AS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (in INR) of the USD as for last 5 years are provided below:

Currency	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
USD	73.50	75.39	69.17	65.04	64.84

Source: www.rbi.org.in and www.fbil.org.in.

In the event that March 31 of any of the respective years is a public holiday, the previous working day not being a public holiday has been considered.

Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Any increase in the levels of non-performing assets ("**NPA**") on our loan portfolio, for any reason; whatsoever, would adversely affect our business and results of operations;
- Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;
- Unanticipated turbulence in interest rates or other rates or prices;
- Performance of the financial and capital markets in India and globally;
- Changes in the value of Rupee and other currency changes;
- Rate of growth of our Loan Book;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Our inability to sustain growth or manage it effectively;
- Our inability to successfully diversify our portfolio;
- Any disruption in our sources of funding;
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business:
- Performance of, and the prevailing conditions affecting, the real estate market in India;
- Certain risks related to the business loans in India due to the category of borrowers that it services, which are not generally associated with other forms of lending;

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the section titled "*Risk Factors*" and sections titled "*Industry Overview*", "*Outstanding Litigations and Statutory Defaults*" and "*Our Business*" beginning on pages 19, 71, 335 and 93, respectively.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, Lead Managers nor any of its Directors and its officers, their respective affiliates or associates have any obligation, or intent to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of the factors that could affect our Company's future financial performance or could cause our actual results to differ from our expectations, see the section titled *"Risk Factors"* beginning on page no. 19 and sections titled *"Industry Overview"* and *"Our Business"* beginning on pages 71 and 93, respectively. Our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange(s).

SECTION II – RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Draft Shelf Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section, such as those relating to non-payment or default by borrowers, our levels of indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the NCDs.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Shelf Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Shelf Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with Reformatted Financial Statements as included in this Draft Shelf Prospectus.

Prospective investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Issue and must rely on their examination of our Company and this Issue, including the risks and uncertainties involved.

INTERNAL RISK FACTORS

1. ***The COVID-19 pandemic poses unprecedented challenges to the economy and to our business. It has adversely impacted and continues to impact our ability to originate loans, our customers' ability to service our loans, our liquidity and our employees. Such effects, if they continue for a prolonged period, may have a material adverse effect on our business and results of operations.***

   The COVID-19 pandemic has had, and continues to have, a significant impact on the Indian economy and the communities in which we operate. India's GDP contracted by 7.3% in Fiscal 2021, primarily on account of the nationwide lockdown imposed by the Government to curb the spread of COVID-19 in the first two quarters of Fiscal 2021 and subsequently due to the second wave in the last quarter of Fiscal 2021. The CRISIL Report expects the pandemic-triggered economic downturn to result in lower banking credit growth, which will be affected due to a decrease in industrial demand and private consumption. For further details, see "*Industry Overview*" on page 71.

   We believe that the COVID-19 outbreak has presented the following challenges to India's financial services industry this year: (1) uncertainties over the duration and the severity of the COVID-19 pandemic; a downturn in the global economy and impact to India's economy; (3) weakening purchasing power because of weak economic growth; and (4) worsening asset quality due to weak economic condition.

   The lockdown restrictions imposed initially by Government of India and subsequently by various state governments in India have affected our business operations that depend on customer facing activities, back-office operations, recoveries and others for loan-related verifications and processing. COVID-19 pandemic has also impacted our origination of loans. Additionally, home sales slowed during the Fiscal 2021, and future growth may be uncertain. If the COVID-19 pandemic leads to a prolonged economic downturn with sustained high unemployment rates, we anticipate that real estate transactions may be affected. Any such slowdown may materially decrease the number and volume of loans we originate. Further, a majority of our customers are retail customers who belong to economically weaker and low-to-middle income segments. Due to the slowdown and downturn in the global and Indian economies, it is possible that large-scale furloughs, terminations of employees, reductions in salaries or closure of businesses during lockdowns may lead to loss of pay or income of our customers which may lead to increased defaults by our customers. Further, an overall deterioration in the economy may also lead to a reduction in the value of collateral provided for our loans, leading to higher than anticipated losses on default. In addition, economic deterioration could lead to significantly higher interest rates for our customers which could increase the number of customers who face difficulty paying the amounts due on their loans.

The lockdown imposed by the Government of India and state/local authorities also led to widespread reverse migration of migrant labor from various cities and towns of India. As the real estate industry employs a large number of migrant labour for construction, the ability to complete and handover housing projects in time may be adversely affected, which could impact our borrowers' ability to service their loans.

Further, a number of our offices and employees have been working from home/ different locations utilizing remote working technologies. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. In particular, we face heightened cyber-security risks with a large proportion of our employees working from home. The requirement to work from home has required changes to be made to certain operating procedures, which are relatively new. Any unforeseen weaknesses in these processes exposes us to operational risk.

There is no guarantee that we and the Indian financial services industry in general, notwithstanding measures taken by the government, will be able to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 outbreak. We fund substantially all of the loans through borrowings under our various funding facilities. Given the broad impact of COVID-19 on the financial markets, our ability to borrow money to fund our current and future customer demand is uncertain. Our liquidity could also be affected as our lenders reassess their exposure to HFCs and either curtail access to lending facilities or impose higher costs to access such facilities. Our liquidity may be further constrained as there may be less demand by investors to acquire our loans in the secondary market. A liquidity shortage for the industry as a whole may also adversely impact our short to medium term cash flows. Further, our Statutory Auditors have included emphasis of matters in their audit reports on our financial statements for Fiscal Year 2021], noting our business and financial results will depend on future developments, which are highly uncertain and the actual credit loss could be different from that estimated as of the date of our financial statements. While we have been able to continue to grow our business (with our AUM growing from ₹1,84,947.35 million as of March 31, 2020 to ₹ 2,06,936.87 million as of March 31, 2021), there is no assurance that COVID-19 will not have a material adverse effect on our business).

The extent to which the COVID-19 pandemic will impact our financial performance is dependent on future developments, which are uncertain and therefore, our prior financial results are not necessarily indicative of results to be expected for future periods. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section. Further, the outbreak, or threatened outbreak, of any severe communicable disease or pandemic, as seen in the recent outbreak and aftermath of COVID-19, could adversely affect overall business sentiment and environment across industries.

2. We have experienced significant growth in recent years and we may not be able to sustain our business growth, which may have a material adverse effect on our business, results of operations, cash flows and financial condition.

We have experienced considerable growth in recent years and we have significantly expanded our operations and branch network. Our total income grew from ₹ 18,461.10 million for the Fiscal 2019 to ₹ 20,677.51 million for Fiscal 2021, while our profit after tax grew from ₹ 3,063.93 million for the Fiscal 2019 to ₹ 4,010.95 million for Fiscal 2021. Our AUM has grown from ₹ 181,578.31 million as of March 31, 2019 to ₹ 2,06,936.87 million as of March 31, 2021. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our business and results of operations. Our ability to execute our growth strategies will depend, among other things, on our ability to identify key target markets correctly, manage our pricing to compete effectively, and scale up and grow our network efficiently. We will also need to manage relationships with a greater number of customers, service providers, lenders and other parties as we expand. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of customer service. Going forward, we may not have adequate processes and systems such as credit appraisal and risk management to sustain this growth. Our business depends significantly on our marketing initiatives. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact our ability to leverage our brand value. There can also be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms. Furthermore, any adverse publicity about, or loss of reputation by us could negatively impact our results of operations.

If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our business, prospects, financial condition, cash flows and results of operations.

Further, a number of external factors beyond our control could also affect our ability to continue to grow our business and loan portfolio, such as demand for housing loans in India, domestic economic growth, the RBI's monetary and regulatory policies, RBI Master Directions, inflation, competition and availability of cost-effective debt and equity capital.

We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Any one or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our AUM which may in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

3. ***We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations and financial condition.***

Our business and results of operations depend on our ability to raise capital from external sources on a timely manner and on term suitable to us. Historically, our financing requirements have been met from several sources, both debt and equity, including refinancing from the NHB, term loans, working capital loans and issuance of non-convertible debentures to meet our capital requirements. We also monetize loans through securitization to banks and financial institutions Our business thus depends and will continue to depend on our ability to continually access these sources of capital.

Our ability to raise funds on acceptable terms, at competitive rates and in a timely manner, depends on various factors including our credit ratings, our brand equity, our risk management policies, our current and future results of operations and financial condition, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy including the effect of events such as the COVID-19 pandemic.

Further, changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition. Our ability to raise debt to meet our financing requirements is also restricted by the limits prescribed under applicable regulations. For example, the RBI Master Directions permitted HFCs to borrow up to 14 times their net owned funds ("**NOF**") until March 31, 2020, after which this limit was reduced to 13 times of their NOF until March 31, 2021 and will reduce subsequently to 12 times of their NOF until March 31, 2022. As of March 31, 2021, March 31, 2020 and March 31, 2019, our Total Borrowings/NOF were 6.59, 7.70 and 8.39, respectively.

Consequently, if we are unable to obtain adequate financing in a timely manner and on commercially reasonable terms, our business, results of operations and financial condition may be adversely affected.

4. ***Any negative events affecting the Indian real estate sector could adversely affect the value of the collateral for our loans, our business and result of operations.***

Our lending products include housing loans and secured business loans and affordable housing project loans. Our AUM is exposed to the real estate sector as the underlying security on these loans is primarily mortgages. In the event the real estate sector is adversely affected due to any reason whatsoever, including without limitation, the passing of any stringent norms regarding construction, floor space index or other compliances, the value of our collateral may diminish which may affect our business and results of operations in the event of a default in repayment by our clients. Also, if any of the projects which form part of our collateral are stalled for any reason for any length of time, the same may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

The primary security for the loans disbursed by us is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time, as well the quality of the construction and the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate properties. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collateral may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on collateral and take certain other actions, including taking over the management of the business of the borrower, and which includes our right to transfer (in any manner) the underlying collateral after 60 days' notice to a borrower whose loan has been classified as non-performing.

Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the value of its collateral, in full or in part. The Debt Recovery Tribunal ("**DRT**") has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, there can be no assurance that any foreclosure proceedings would not be stayed by the DRT or any other relevant authority. In addition, delays on our part to take immediate action, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers, may hinder our ability to realize the full value of security. In the event that a regulatory agency asserts jurisdiction over the enforcement proceedings, creditor actions can be further delayed. Therefore, there can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations, cash flows and financial condition.

5. ***We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.***

Our operations are vulnerable to volatility and mismatches in interest rates. Our net interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow.

The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. Similarly, competition pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability.

Further, an increase in general interest rates in the economy could reduce the overall demand for housing finance and impact our growth. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, and if we are unable to do so, this could have an adverse effect on our net interest income, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

The pricing on our issuances of debt will also be negatively impacted by any downgrade or potential downgrade in our credit ratings. This would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

6. ***Any increase in the levels of NPAs in our AUM, for any reason whatsoever, would adversely affect our business, results of operations, cash flows and financial condition.***

As of March 31, 2021, 31.16 % of our Gross AUM were from formal salaried customers, 13.21 % from informal salaried customers, 47.65 % from formal self-employed and 7.99 % from informal self-employed customers.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended (the "**RBI Directions**"), which are applicable to us, have laid down prudential norms with regard to NPAs, including in relation to the identification of NPAs and income recognition against NPAs, though we follow Ind AS for income recognition against NPAs. There is no assurance that our NPA level will continue to stay at its current level. If the credit quality of our AUM deteriorates or we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may be adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in our AUM in the future.

Further, the RBI Directions on NPAs may become more stringent than they currently are, which may adversely affect our profitability and results of operations. The RBI Directions also prescribe the provisioning required in respect of our outstanding AUM. However, we follow Ind AS for provisioning as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. In the event that the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms, then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve". Should the overall credit quality of our AUM deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. As of March 31, 2021, our gross NPAs, as a percentage of our AUM, were 1.72% and our net NPAs as a percentage of our AUM were 1.20%. Our provisions for NPAs (ECL provision for Stage 3) as at March 31, 2021, 2020 and 2019 were ₹ 1,085.40million, ₹ 482.75 million and ₹ 282.40million representing a specific provision coverage ratio of 30.47%, 19.52% and 21.26%,respectively of our gross NPAs on AUM in those years. If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit after tax and adversely impact our results of operations. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures.

Further, there can be no assurance that we will be able to recover the outstanding amounts due under any defaulted loans. We may also face difficulties in disposing of the underlying assets relating to such loans, as a result of which we may be unable to realize any liquidity from such assets. Further, as our loan portfolio grows, our NPAs may increase and the current level of our provisions may not adequately cover any such increases.

7. ***We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and financial performance adversely.***

We may also face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium -term funding sources such as bank loans, non-convertible debentures, refinancing from the NHB, commercial paper, or cash credit. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

The following table describes the standalone ALM of our Company as on March 31, 2021:

Particulars	**Upto 30/31 days**	**Over 1 month & upto 2 month**	**Over 2 months & upto 3 months**	**Over 3 months & upto 6 months**	**Over 6 months & upto 1 year**	**Over 1 year & upto 3 year**	**Over 3 year & upto 5 year**	**Over 5 years**	**Total**
Advances	5,648.64	2,744.67	2,747.76	7,406.85	13,590.95	44,229.94	25,045.16	44,374.71	145,788.68
Investment	0.34	0.34	0.34	1.04	2.16	9.59	10.83	1,647.55	1,672.19
Borrowings	2,439.08	6,016.66	4,946.15	13,579.93	14,314.00	38,096.36	18,606.15	28,336.83	126,335.16
Foreign currency assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign currency liabilities	0.00	116.38	0.00	0.00	0.00	3,650.89	0.00	0.00	3,767.27

8. ***Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.***

As of March 31, 2021, our total borrowings were ₹130,102.45 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. There are restrictive covenants in the agreements we have entered into with our lenders that limit our ability to undertake certain types of transactions, any of which could adversely affect our business, results of operations and financial condition. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

We have applied to our lenders/ trustees and we have received consents from our lenders/ trustees (as applicable) in relation to this Issue.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition, cash flows and results of operations. Due to moratorium pursuant to Covid-19 we witnessed in few instance the different methodology of amortization schedule was followed by the banks and also in some case the confirmation/communication for the final grant of moratorium was delayed by the bank due to lack of clarity which resulted in our Company having repaid the principal and interest on a date later than the due date determined by the bank, immediately on receiving communication from the bank regarding grant of moratorium.

If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

9. ***Our statutory auditors have highlighted certain emphasis of matters to their audit reports relating to our audited financial statements, which may affect our future financial results*.**

The Auditor's Report on the Audited Ind AS Financial Statements issued by our Statutory auditors for the Fiscal 2021 and 2020 included the following Emphasis of Matter. However, the auditor's opinion was unmodified:

Fiscal	Emphasis of Matter
2021	*We draw attention to Note 7.1 to the Financial Statements on possible effects of COVID-19 pandemic* *Our opinion is not modified in respect of this matter.*
2020	*We draw attention to Note 7,1 to the Financial statements, which fully describe that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of COVID 19 pandemic.*
2019	NA
2018	NA
2017	NA

For further details, in relation to the emphasis of matter, etc. please refer Financial Statements on page 144. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

10. ***Any downgrade in our credit ratings may increase interest rates for raising new debt, refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For details of our current credit ratings, see "*Our Business – Credit Ratings*" on page 104. Any downgrades in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

11. ***We may experience difficulties in expanding our business or pursuing new business opportunities in new regions and markets.***

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business and pursue new business opportunities in new regions and markets. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers.

Our present and future business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. We may not be able to expand our current operations or pursue new business opportunities, which may adversely affect our business prospects, financial condition, cash flows and results of operations.

12. ***Our Company, Directors, Promoter, and group companies are involved in certain legal and other proceedings. Any final judgment awarding material damages against us could have a material adverse impact on our future financial performance and our stockholders'.***

We, our directors, our promoters and group companies, are currently involved in litigations (including civil or criminal, consumer and tax related proceedings). These proceedings are pending at different levels of adjudication before various forums including courts and tribunals. The majority of these cases arise in the normal course of business and we believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders' equity. We estimate the probability of losses that may be incurred in connection with legal and regulatory proceedings as of the date on which our standalone financial statements are prepared. We recognize a provision when we have a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. We determine the amount of provision based on our estimate of the amount required to settle the obligation at the balance sheet date, supplemented by our experience in similar situations. We review provisions at each balance sheet date and adjust them to reflect current estimates. In cases where the available information indicates that a loss is reasonably possible but the amount of such loss cannot be reasonably estimated, we make a disclosure to this effect in the standalone financial statements. In certain instances, present and former employees have instituted legal and other proceedings against us alleging irregularities. When there is only a remote risk of loss, we do not recognize a provision nor do we include a disclosure in the standalone financial statements.

There can be no assurance that a significant portion of these disputes will not be determined against our Company or that our Company will not be required to pay all or a portion of the disputed amounts or that it will be able to recover amounts for which our Company has filed recovery proceedings. In addition, even if our Company is successful in defending such cases, it will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial. Further, there can be no assurance that similar proceedings will not be initiated against our Company in the future.

For further details in relation to legal proceedings, see the section titled "*Outstanding Litigations and Statutory Defaults*" on page 335.

13. ***We have geographic concentration in certain states and therefore are dependent on the general economic conditions and activities in these states.***

As of March 31, 2021, 63.09% of our AUM is from eight states. While our branches are spread across 16 states and one union territory in India, our concentration in these states exposes us to any adverse geological, ecological, economic and/or political circumstances in those respective regions. If there is a sustained downturn in the economy of those regions or a sustained change in housing market in those regions for any reason, including consequences of the COVID-19 pandemic, our financial position may be adversely affected.

14. ***There are outstanding legal proceedings against our group companies, if determined, could have a material adverse impact on our business, results of operations and financial conditions.***

There are certain outstanding legal proceedings against our group companies pending at various levels of adjudication before courts, tribunals, authorities and appellate bodies. There can be no assurance that these legal proceeding will be decided in favour of our group companies. Decisions in any of such proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our group companies, we may face monetary and/ or reputational losses. Furthermore, we may also not be able to quantify all the claims in which our group companies are involved.

"IIFL" is a well-established brand among retail, institutional and corporate investors in India and we believe we have benefited extensively from the brand. We also derive substantial benefit from synergies and cross-selling opportunities generated between our company and entities within IIFL group. As a result, our company's reputation and brand may be affected by any regulatory orders alleging non-compliance by other entities within the IIFL group with laws and regulations.

In particular, our group company, IIFL Commodities Limited has been the subject of investigations conducted by regulatory authorities in India in connection with allegations of breaches of the Forward Contracts (Regulation) Act, 1952, false representation in respect of assured/risk free returns, failure to report suspicious transactions and failure to ensure proper segregation of assets, involving the now defunct National Spot Exchange Limited ("**NSEL Case**"). As a result of such investigations, the Economic Offences Wing of the Mumbai police filed a charge-sheet on April 26, 2019 before the Special Sessions Court, MPID, Mumbai against IIFL Commodities Limited, including Mr. Chintan Modi, one of the Directors of IIFL Commodities Limited. The matter is currently pending for hearing.

In February 2019, SEBI declared five major brokerage houses, including IIFL Commodities Limited, not fit and proper person to hold directly or indirectly, the certificate of registration, as a commodity derivatives broker and rejected the application filed by IIFL Commodities Limited for registration as Commodity Derivatives Broker. IIFL Commodities Limited filed an appeal against the said order of SEBI before the Securities Appellate Tribunal ("**SAT**") on April 11, 2019 and SEBI filed its reply to the appeal and a rejoinder was thereafter filed by IIFL Commodities Limited on October 14, 2019. The appeal was scheduled for hearing on August 27, 2020.

On June 20, 2019, an Intervening Application was filed by NSEL before SAT and the same was admitted by SAT on November 11, 2019. The Appeal filed by IIFL Commodities Limited was partly heard by the tribunal on November 11, 2019 and thereafter the matter was adjourned to November 13, 2019, for further hearing.

On November 13, 2019, the lawyers representing NSEL filed an appeal before SAT, inter-alia praying for expunging certain remarks made by SEBI against NSEL, in the aforesaid SEBI order against the brokers. After hearing, the tribunal dismissed the appeal filed by NSEL. NSEL preferred an appeal before the Supreme Court challenging the SAT Order and the Supreme Court directed issue of notice to the respondents and stayed further proceedings in the cross appeals pending before the SAT. IIFL Commodities Limited filed its Affidavit in reply and the Supreme Court heard the matter and condoned the delay in preferring an appeal by NSEL. Pursuant to which, NSEL Appeal is clubbed with our Appeal before the SAT. The Tribunal directed IICL and other Brokers to file its reply to NSEL Appeal. Our reply is submitted. The matter is pending for hearing.

There can be no assurance that SEBI or any other regulator may not take further action against IIFL Commodities Limited in connection with the NSEL Case. IIFL Commodities Limited was a wholly owned subsidiary of IIFL Finance Limited but following the demerger of IIFL Securities Limited pursuant to the Composite Scheme of Arrangement, IIFL Commodities Limited is now a wholly owned subsidiary of IIFL Securities Limited and no longer a subsidiary of the IIFL Finance Limited (formerly IIFL Holdings Limited).

15. ***We may not be able to maintain our capital adequacy ratio, which could adversely affect our business.***

The RBI Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital.

Pursuant to RBI regulations, HFCs are currently required to maintain a minimum capital to risk (weighted) assets ratio ("**CRAR**") consisting of Tier I and Tier II Capital which collectively shall not be less than 13% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As of March 31, 2019, March 31, 2020, March 31, 2021, our CRAR (%) was 21.02%,23.71% and 22.98% respectively. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the NHB may increase its current CRAR requirements or risk weight for assets, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.

16. ***We are subject to periodic inspections by the NHB and RBI. Non-compliance with the NHB's observations made during any such inspections could adversely affect our reputation, financial condition and results of operations.***

Prior to the notification of the NHB Act Amendments, we were subject to periodic inspection by the NHB under the NHB Act, 1987 ("**NHB Act**"), wherein the NHB inspected our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information, which we may have failed to furnish when called upon to do so. However, pursuant to the NHB Act Amendments, the RBI will also have the power to conduct such inspections, in addition to the NHB. In its past inspection reports, the NHB has (a) identified certain deficiencies in our operations, (b) made certain observations in relation to our operations during its periodic inspections and (c) sought certain clarifications on our operations. Our Company, vide its letters, has responded to NHB concerning its observations and has provided information and clarifications sought by the NHB. The observations were pursuant to routine inspections of NHB.

In the past our Company has received show cause notices from NHB and NHB has also leveid penalties on our Company. For details of show cause notices, please refer to "*Outstanding Litigations and Statutory Defaults*" on page 335.

While we attempt to be in compliance with all regulatory provisions applicable to us, in the event that we are unable to comply with the observations made by the NHB in the past or comply with NHB's or RBI's directions at any time in the future, we could be subject to penalties and restrictions which may be imposed by the NHB or RBI. Imposition of any penalty or adverse finding by the NHB or RBI during any future inspection may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

17. ***We rely significantly on our information technology systems for our business and operations. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows and financial condition.***

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting and other data processing systems, management information systems and our corporate website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services. We may also face risks relating to our migration to a new IT infrastructure.

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, customer applications and interfaces, may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and to us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex -filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; (d) ransomware – a malware which threatens to block or publish data unless a ransom is paid and (e) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. In addition, due to the recent social distancing measures and the lockdown imposed by the government, there has been a recent increase in electronic transactions which increases the risk of cyber-attacks. The intention of these attacks could be to steal our data or information, or to shut down our systems and only release them for a fee. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency.

Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations, cash flows and financial condition.

18. ***We may not be able to obtain, renew or maintain statutory and regulatory permits and approvals required to operate our business may materially and adversely affect our business and results of operations.***

Our operations are subject to extensive government regulation, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. These include registration with the NHB for carrying out business as an HFC. We are also required to maintain licenses under various applicable national and state labor laws in force in India for some of our offices and with regard to some of our employees. While we currently possess or have applied for renewals of certain licenses, including shops and establishment licenses for some of our branches, there can be no assurance that the relevant authorities will renew these in the anticipated timeframe, or at all. In addition, we may apply for more approvals.

A majority of these approvals are granted for a limited duration and are subject to numerous conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Additionally, failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

19. ***We may have to comply with stricter regulations, directions and guidelines issued by regulatory authorities in India, including the NHB and RBI, which may increase our compliance costs, divert the attention of our management and subject us to penalties.***

We are regulated principally by and have reporting obligations to the NHB and the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's housing finance sector.

The laws and regulations governing the housing finance industry in India have become increasingly complex and cover a wide variety of issues. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations.

Moreover, new regulations may be passed that restrict our ability to do business. Further, these regulations are subject to frequent amendments and depend upon government policy. We cannot assure you that we will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

Further, pursuant to the NHB Act Amendments which came into force on August 9, 2019, and read with the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, amongst others, (i) existing exemptions available to HFCs under the RBI Act have been withdrawn and accordingly the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (ii) the RBI has the power to regulate by specifying conditions or prohibit the issue by any HFC which is a company of any prospectus or advertisement soliciting deposits of money from the public. The NHB Act Amendments also provide for certain powers to be exercised by the RBI concurrently with the NHB, such as the power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 – IA, 45 -IB and 45 – IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

On June 17, 2020, the RBI released proposed changes to be undertaken in the regulatory framework for HFCs post the transfer of regulation of HFCs from NHB to the RBI with effect from August 9, 2019, for public comments ("**Draft Framework**"). These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio, and securitisation of NBFCs to HFCs.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**"). Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

Further, pursuant to the Revised HFC Framework, the NBFC-ND-SI Directions have been made applicable on various aspects including loan against security of shares and gold jewelry, securitisation transactions, managing risk and code of conduct in outsourcing, liquidity risk management framework and liquidity coverage ratio.

Activities of HFCs, are primarily regulated by the RBI and supervised by the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Accordingly, there may be further scrutiny and instructions from the RBI in relation to the regulation of HFCs. If we fail to comply with such requirements, we may be subject to penalties or compounding proceedings.

Further, pursuant to recent notification dated November 18, 2019, issued by the Ministry of Corporate Affairs, certain prescribed non-banking finance companies (which include HFCs) with asset size of ₹ 500 crore or more, as per last audited balance sheet have been notified as a category of financial service providers ("**Notified FSPs**"). The Ministry of Corporate Affairs has also issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, in terms of which the RBI may initiate insolvency and liquidation proceedings under the IBC against Notified FSPs (which includes our Company) for a 'default' in terms of the IBC.

If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Any changes in the existing regulatory framework, including any increase in the compliance requirements, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Such an increase in costs could have an adverse effect on our business, prospects, financial condition and results of operations. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition and results of operations.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

20. ***We depend on third-party selling agents for customer referrals, predominantly of secured business loans, who do not work exclusively for us.***

We depend on external direct selling agents ("**DSAs**") who act as lead providers to our sales teams in return for referral fees, to source a portion of our secured business loan book. Our DSAs pass on leads of any loan requirements of these customers to us. Our agreements with such DSAs typically do not provide for any exclusivity, and accordingly, such DSAs can work with other lenders, including our competitors. There can be no assurance that our DSAs will continue to drive a significant number of leads to us, and not to our competitors, or at all.

21. ***We assign a portion of our loan assets to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned to banks and other institutions may adversely impact our financial performance and/or cash flows.***

As part of our means of raising and/or managing our funds, we assign a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In Fiscals 2019, 2020 and 2021, our fresh assignment of loan assets at book value was ₹36,573.57 million, ₹20,832.52 million and ₹14,887.13 million, respectively. Any change in statutory and/or regulatory requirements in relation to assignments by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment transactions. The commercial viability of assignment transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- Prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the bank;
- Minimum holding period or 'seasoning' and minimum retention requirements of assignment loans; and
- Assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8% per annum.

Any adverse changes in the policy and/or regulations in connection with the assignment of assets by HFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting HFCs or the purchasers of assets, would affect the assignment market in general and our ability to assign our assets. In addition, a decline in demand for assignment would adversely affect our ability to assign our assets.

22. We may face difficulties and incur additional expenses in operating in Tier 2 cities and Tier 3 cities, where infrastructure may be limited.

We primarily serve customers in EWS and LIG segments in Tier 2 cities and Tier 3 cities in India along with customers from suburbs of Tier 1 cities, where infrastructure may be limited, particularly for transportation, electricity and internet bandwidth. At our branch offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our branch network in rural and semi urban markets, which could adversely affect our profitability.

23. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Business – Risk Management Framework*" on page 105. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. Further, some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. For details, see " - *Any increase in the levels of NPAs in our AUM, for any reason whatsoever, would adversely affect our business, results of operations, cash flows and financial condition*" above.

If we fail to effectively implement our risk management policies, we could materially and adversely affect our business, financial condition, results of operations and cash flows.

24. Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the Government, which may adversely affect our business, prospects, financial condition and results of operations.

The rapid growth in the housing finance industry in India in the last decade is in part due to the introduction of fiscal benefits for home owners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits, and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the Government will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur.

The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from eligible business computed under the head "profits and gains of business or profession", may be carried to a "Special Reserve" and are not subject to income tax. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital (excluding the amounts capitalized from reserves) and general reserves of the company. Further, in terms of the Section 41(4A) of the Income Tax Act, 1961, where a deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income tax as the income of the previous year in which such amount is withdrawn, if it does not, this may result in a higher tax outflow. By way regulation prescribed by NHB/RBI, all HFCs are required to create a deferred tax liability ("**DTL**") on the Special Reserve created from current and past profits, irrespective of whether it is intended to withdraw from such reserve or not, however, we follow Ind AS for our accounting and accordingly as per Ind AS have not created deferred tax liability on special reserve.

In addition, availing of housing loans for residential properties has become attractive due to certain government schemes and income tax exemptions on the repayment of loans and interest payments. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961 and interest payment qualifies for a reduction in taxable income as per the maximum limit specified in Income Tax Act, 1961. There can be no assurance that the government will continue with such schemes or tax benefits on housing loans and any significant change by the government in its monetary policy or tax laws, may adversely affect our business and results of operations. Changes in tax laws and reduction in tax concessions for housing loans may negatively impact the housing market and the housing loan market in general.

25. We have contingent liabilities as at the year ended March 31, 2021 and our financial condition may be adversely affected if these contingent liabilities materialize.

We have contingent liabilities, which could adversely affect our business and results of operations. Our contingent liabilities aggregated to ₹ 2,135.11 million as at March 31, 2021 in accordance with Ind AS 37. In the event that any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. Below are the details of Contingent liabilities as at the year ended March 31, 2021:

i. Claim against the Company not acknowledged as debt – ₹1.15 million

ii. Credit enhancement and guarantee given for securitization and assignment transactions amounting to ₹ 1,900.56 million and ₹ 233.40 million, respectively.

26. We also handle cash in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.

Some of our customers in the EWS and LIG segment make payments in cash which is collected at dispersed network of branches. Handling cash at branch level exposes us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by our employees. Our insurance policies and measures undertaken to detect and prevent these risks may not be sometimes, sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected.

27. ***Security breaches of customers' confidential information that we store may expose us to liability and harm our reputation.***

As part of our business, we store and have access to customers' bank information, credit information and other sensitive data. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings against us including the potential imposition of penalties, and negative publicity. Data security breaches could lead to the loss of trade secrets or other intellectual property, or the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breach may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows.

28. ***We depend on the accuracy and completeness of information provided by our potential borrowers and third -party service providers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition.***

While we have a well-established and streamlined credit appraisal process, there can be no assurance that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with credit bureaus, or the on-site verification conducted by our empaneled third-party agencies will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing assets, which could adversely affect our business and results of operations.

29. ***We do not own our branch offices, including our registered office and corporate office. Any termination or failure by us to renew the lease/ leave and license agreements in a favorable and timely manner, or at all, could adversely affect our business and results of operations. Moreover, many of the lease/ leave and license agreements entered into by us may not be duly registered or adequately stamped.***

Our branch offices including our registered office and corporate office are located on leased or licensed premises. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the lease/ leave and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease/ leave and license agreements. While we have not faced major issues renewing the leases of our offices in the past, if these lease/ leave and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, most of our lease/ leave and license agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business.

30. ***Any change in control of our Promoter or our Company or any other factor affecting the business and reputation of our Promoter may have a concurrent adverse effect on our Company's reputation, business and results of operations and may correspondingly adversely affect our goodwill, operations and profitability and further our Promoter has significant control in our Company, which will enable them to influence the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other holders of Equity Shares.***

As on March 31, 2021, our Promoter holds 100% of the paid up equity share capital. Any change in control of the Promoter may have an adverse effect on the operations of the Company including influencing the policies of the Company. If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "IIFL" and our goodwill as a part of the IIFL group of companies may be adversely affected, which in turn could adversely affect our business and results of operations. Further, our Promoter has the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

31. We are dependent on IIFL group, goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of IIFL group may have a concurrent adverse effect on our business and results of operations.

We are part of IIFL group and to some extend depend upon it for steady inflow of business. In the event IIFL group's goodwill is impacted the same may have impact on our business and results of operations. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

In the event IIFL group is unable to maintain the quality of its services or its goodwill deteriorates, our Company's business and results of operations may be adversely affected. Any disassociation of our Company from the IIFL group and/or our inability to have access to the infrastructure provided by other companies in the IIFL group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

32. We are permitted to use the IIFL Home Loan trademark, pursuant to the trademark license agreement between our Company and IIFL Securities Limited Such right to use the IIFL trademark is subject to the termination based on the terms and conditions of the trademark license agreement and any such termination may result in us being unable to use the IIFL trademark, which could have a material adverse effect on our reputation and business.

We have been given the right to use the IIFL Home Loan trademark, owned by IIFL Securities pursuant to the trademark license agreement dated April 12, 2021 entered into between our Company and IIFL Securities Limited. We have been provided a non-exclusive, non-transferable, as set out therein, to use the trademark. Any termination of the agreement by IIFL Securities Limited may result in us being unable to use this trademark which could have a material adverse effect on our reputation and business. Further, our home loan processing is done through our proprietary application "Jhatpat Loans". We have not filed for any intellectual property protection for our mobile application. The lack of such registration adversely affects our ability to protect such intellectual property.For further details, please see "*History and Main Objects*" on page 111.

We may be required to resort to legal action to protect our intellectual property rights. Any adverse outcome in such legal proceedings may impact our ability to use our intellectual property rights in the manner in which such intellectual property is currently used, or at all, which could have an adverse effect on our business and financial condition.

33. We are exposed to risks that may arise if our customers opt for balance transfers to other banks or financial institutions, or if customers face increased difficulties in refinancing their existing housing loans from other banks and financial institutions to our Company.

We offer our customers fixed and variable interest rate loans, which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates, which has led to a high incidence of balance transfer, which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for customers in refinancing their existing housing loan from another bank or financial institution, may also adversely affect our balance transfer loan originations. As competition in the housing finance sector intensifies, some of our customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, results of operations and financial condition.

34. We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.

We have entered into a number of related party transactions, within the meaning of AS-18 and Ind AS-24, as applicable. While we believe that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties.

Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For further details of historical related party transactions, please see "*Financial Statements*" on page 144.

35. We may be unable to protect our brand names and other intellectual property rights which are critical to our business.

We may be required to resort to legal action to protect our brand names and other intellectual property rights. Any adverse outcome in such legal proceedings may impact our ability to use our brand names and other intellectual property rights in the manner in which such intellectual property is currently used or at all, which can have a material adverse effect on our business and financial condition.

36. Negative publicity could damage our reputation and adversely impact our business and financial results.

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Negative publicity can result from our own or our third- party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk.

Further, a failure of a cooperative bank, private sector bank, non-banking finance company or small finance bank or housing finance company could also affect the sentiment towards the AHFC industry in general and lead to a reduction in business for all HFCs. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

37. We have in this document included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

38. ***Significant changes by the Government, the RBI or the NHB in their policy initiatives facilitating the provision of housing and housing finance or any change in the tax incentives that the Government currently provides to HFCs may have an adverse effect on our business, results of operations and financial condition.***

The Government of India provides certain incentives to encourage providing credit to the housing industry and has implemented policies that are aimed at providing low-cost, long-term credit to the low and middle income segments in India. The NHB provides re-finance for certain qualifying loans at reduced rates to certain qualifying HFCs through its schemes. In addition, the RBI provides certain incentives to the housing finance industry by extending priority sector status to housing loans. Certain key measures taken by the RBI to assist in fulfilling the Government's objectives include the reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs to raise long-term ECBs for on-lending towards affordable housing, which the RBI defines as housing loans with a size of up to ₹ 2.50 million. However, we cannot assure you that the Government, the RBI and the NHB will continue to provide such incentives in the future.

The Government had introduced the Credit Linked Subsidy Scheme ("**CLSS**") of the Pradhan Mantri Awas Yojana ("**PMAY**") – Housing for All (Urban) which aims at expanding institutional credit flow to the housing needs of the customers from EWS & LIG segments, by providing credit-linked subsidy on home loans taken by eligible customers EWS & LIG segments for acquisition or construction of houses. Individuals belonging to the economically weaker sections ("**EWS**") and the low income group ("**LIG**") seeking housing loans from primary lending institutions ("**PLIs**"), including banks and HFCs, are eligible to avail benefits under the scheme.

Further, pursuant to Section 36(1)(viii) of the (Indian) Income-tax Act, 1961 (the "**Income Tax Act**"), up to 20.00% of profits from housing finance activities may be carried to a special reserve and will not be subject to income tax. Our Board has also resolved that such special reserve may not be used to pay dividends. The amount of special reserve under section 36 (1)(viii) of the Income Tax Act as of March 31, 2021 was ₹2,873.70 million. In addition, home buyers receive tax incentives on home loans for principal and interest payment of home loans, which has improved affordability levels of borrowers. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961. However, we cannot assure you that the Government will continue to make such benefits available to HFCs or home buyers.

Any significant change by the Government in its various policy initiatives facilitating provision of housing and housing finance or any change in the tax incentives that it currently provides to HFCs and homebuyers may have an adverse effect on our business, results of operations and financial condition.

39. ***Statistical and industry data in this document is derived from the CRISIL Report commissioned by us for such purpose. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable.***

This document includes information that is derived from the report on '*NBFC Report- June 2021*', prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"). CRISIL Research is not in any manner related to us, our Directors or our Promoter. The CRISIL Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CRISIL Report, neither our Company nor the Lead Managers nor any of our or their respective affiliates or advisors or any other person connected with the Issue has independently verified data and statistics obtained from the CRISIL Report. While we have no reason to believe the data and statistics in the CRISIL Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document.

40. We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, senior management, and our operational personnel. We believe that the inputs and experience of our senior management are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of, or inability to attract or retain such persons may have an adverse effect on our business, results of operations and financial condition.

41. The bankruptcy code in India may affect our rights to recover loans from our customers.

The Insolvency and Bankruptcy Code, 2016 ("**IBC**") was notified on August 5, 2016. The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The IBC creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against our debtor, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority.

Accordingly, if the provisions of the IBC are invoked against any of our customers, it may affect our ability to recover our loans from the borrowers and enforcement of our rights will be subject to the IBC.

42. Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. For further details on our insurance coverage, see "*Business – Insurance*" on page 108. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

43. ***Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.***

As of March 31, 2021, we employed 1,770 personnel across our operations. Although we have not experienced any material employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

None of our workforce is currently unionized. However, there is a risk that our employees may choose to unionize in the future. Labor unions for banking employees organize strikes, and we may in the future be affected by strikes, work stoppages or other labor disputes if any portion of our workforce were to become part of a union in the future. In the event of a labor dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations and, if not resolved in a timely manner, could adversely affect our business, financial condition, results of operations, cash flows and prospects.

44. ***Fluctuations in the market value of our investments could adversely affect our results of operations and financial condition.***

Fluctuations in the market values of our investments as part of Treasury Management could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We may not accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

45. ***Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.***

As on the date of this Draft Shelf Prospectus, some of our Directors are also directors on the board of our related parties. Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations and financial condition.

EXTERNAL RISK FACTORS

46. ***The growth rate of India's housing finance industry may not be sustainable.***

The Government of India has been pursuing various social welfare schemes and initiatives to create an enabling and supportive environment to both enhance the flow of credit to the housing sector and increase home ownership in India. Various Central Government policies and initiatives such as "Smart Cities" and the "Pradhan Mantri Awas Yojana" or the "Housing for all by 2022" scheme have reinforced the primacy of the housing sector and the need to provide housing to all and are expected to promote affordable housing through partnerships with private sector entities. However, it is not clear how certain trends and events, such as the impact of COVID-19 on the economy the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Any slowdown or reversal of the growth of India's housing finance industry may affect our business, results of operations, cash flows and financial condition.

47. ***The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business and results of operations.***

We operate in a highly competitive industry in India and we compete with banks, other HFCs, small finance banks and NBFCs in each of the geographies in which we operate. Our competitors may have more resources, a wider branch and distribution network, access to cheaper funding, superior technology and may have a better understanding of and relationships with customers in these markets. This may make it easier for competitors to expand and to achieve economies of scale to a greater extent. In addition, our competitors may be able to rely on the reach of the retail presence of their affiliated group companies or banks. Competition in this market segment has also increased as a result of interest rate deregulation and other liberalization measures affecting the housing finance industry in India and we expect competition to intensify in the future.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital, and to charge optimum interest rates when lending to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. If we are unable to compete effectively, our business and results of operations may be adversely affected.

Further, our well-performing loans are liable to be taken over by competitors at low rate as there is no penalty on the pre-closure of floating rate loans. Floating rate loans account for a majority of our loans. If many customers choose to transfer their loans to other institution, it may make it difficult for us to grow our portfolio.

48. Changing laws, rules and regulations and legal uncertainties, including adverse application of RBI or NHB regulations or tax laws and regulations, may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and housing finance business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The governmental and regulatory bodies may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For instance:

- The General Anti Avoidance Rules ("**GAAR**") came into effect from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in a denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us;

- The Government of India has implemented a comprehensive national goods and services tax ("**GST**") regime with effect from 1 July 2017 that combines taxes and levies by the Central and State Governments into a unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions;

- The Finance (No. 2) Act, 2019 (“**Finance Act**”), passed by the Parliament and which has received the assent of the President of India, has introduced various amendments to legislations. Amongst others, the Finance Act includes amendments to the NHB Act (“N**HB Act Amendments**”) which have transferred the regulation authority over the housing finance sector from NHB to RBI. The NHB Act Amendments came into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (ii) the RBI has the power to regulate by specifying conditions or prohibit the issue by any housing finance institution which is a company of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs. This may result in a change in policy and interpretations with respect to regulations governing HFCs; and

- Further, pursuant to the amendments to the ‘Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020 existing exemptions available to HFCs under the RBI Act have been withdrawn.

Further, our employees are entitled to statutory employment benefits such as a defined benefit gratuity plan, among others.

We are subject to various labor laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labor and work permits.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees may create potential liability for us. If we fail to comply with current and future health and safety and labor laws and regulations at all times, including obtaining relevant statutory and regulatory approvals, this could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

49. ***Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.***

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

Risks Relating to India

50. ***India’s existing credit information infrastructure may cause increased risks of loan defaults.***

All of our business is located in India. India’s existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies, which might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and cash flows.

51. ***Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business.***

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially and adversely affect our business because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk", may materially adversely affect financial intermediaries, such as clearing agencies, banks, NBFCs, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially adversely affect our business. Our transactions with these financial institutions and other non-banking financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

52. Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Bank's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. Any such adverse development could adversely affect our business, financial condition and results of operations.

53. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and our future financial performance.

54. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

55. We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- The impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);

- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- Civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- Logistical and communication challenges;
- Downgrading of India's sovereign debt rating by rating agencies;
- Changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- Occurrence of natural calamities and force majeure events;
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

56. ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to NCD Holders' assessments of our financial condition.***

The financial statements included in this Draft Shelf Prospectus have been prepared in accordance with Ind AS and Indian GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Shelf Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements included in this Draft Shelf Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Shelf Prospectus should be limited accordingly.

Risks relating to the Issue and NCDs.

57. ***Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus to raise further debt.***

The NCDs proposed to be issued pursuant to this Issue have been rated CRISIL AA/Stable by CRISIL Ratings Limited for an amount of up to ₹ 50,000 million by way of its letter bearing reference number RL/IDIFHF/272813/NCD/0621/11224/945735509 and dated June 11, 2021, and BWR AA+/ Negative (Assigned) by Brickwork Ratings India Private Limited for an amount of up to ₹ 50,000 million by way of its letter bearing reference number BWR/NCD/MUM/CRC/RAM/0089/2021-22 and dated June 11, 2021. Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

58. ***The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from***

a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, *inter alia,* including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

59. You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Tax Benefits*" on page 62.

60. The Issuer, being a HFC is not required to maintain a debenture redemption reserve ("DRR").

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a HFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs. However, in accordance with section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, as amended, we shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than and which shall not any time fall below 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next year, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. If we do not generate adequate profits, we may not be able to deposit or invest the prescribed percentage of the amount of the NCDs maturing the subsequent year.

61. There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, *inter alia,* including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

62. There may be a delay in making refund/ unblocking of funds to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

63. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs.

64. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on stock exchanges in a timely manner, or at all.

65. There are other lenders and debenture trustees who have pari passu charge over the Security provided.

There are other lenders and debenture trustees of the Company who have *pari passu* charge over the Security provided for the Issue. While the Company is required to maintain 100% asset cover for the outstanding amount of the NCDs and interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated under the provisions of the Companies Act, 1956 on December 26, 2006, under the name of India Infoline Housing Finance Limited. Its name was changed to 'IIFL Home Finance Limited' pursuant to fresh certificate of incorporation dated May 02, 2018, issued by the Registrar of Companies, Maharashtra, Mumbai. It is registered with the NHB as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. The NHB registration no. before change of name of IIFL Home Finance Limited was 02.0070.09 dated February 03, 2009. The IIFL Home Finance Limited has been notified as a financial institution under SARFAESI Act vide Government notification dated June 23, 2010.

For details of the business of our Company, see "*Our Business*" beginning on page 93.

Company Registration No.: 166475
CIN: U65993MH2006PLC166475
LEI: 335800XEJ73TV7NESI10

Permanent Account Number: AABCI6154K

Registered Office:

IIFL Home Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, Thane Industrial Area,
Wagle Estate, Thane – 400 604, Maharashtra, India
Tel.: +91 22 4103 5000
Fax: +91 22 4103 5000
Website: www.iifl.com/home-loans
Email: secretarialhfc@iifl.com

Corporate Office:
Plot No. 98,
Udyog Vihar Phase – IV,
Gurgaon – 122 015, Haryana, India.
Tel.: + 91 124 4754 600
Website: www.iifl.com/home-loans
Email: secretarialhfc@iifl.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 111.

Registrar of Companies, Maharashtra, Mumbai.
100, Everest House
Marine Lines
Mumbai - 400 002
Maharashtra, India

Chief Financial Officer:

Amit Kumar Gupta
Plot No. 98,
Udyog Vihar Phase – IV,
Gurgaon – 122 015, Haryana, India.
Tel.: + 91 124 4754 600
Email: amitg@iifl.com

Company Secretary and Compliance Officer:

Ajay Jaiswal
Plot No. 98,
Udyog Vihar Phase – IV,

Gurgaon – 122 015, Haryana, India
Tel.: + 91 124 4754 600
Email: secretarialhfc@iifl.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers, etc. as the case maybe.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on Application, Depository Participant, DP ID, Client ID, PAN and the Bidding Centre of the relevant members of the Lead Managers, brokers and sub-brokers appointed in relation to the Issue ("**Syndicate**") where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the Applicant.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Lead Managers:

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: iihfl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Singhi
Compliance Officer: Ms. Bhavana Kapadia
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

IIFL Securities Limited*
10th Floor, IIFL Centre,
Kamala Centre, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400 013
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
Email: iiflhome.ncd@iiflcap.com
Investor Grievance Email: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Ms. Nishita Mody
Compliance Officer: Mr. Pawan Jain
SEBI Registration no.: INM000010940
CIN: L99999MH1996PLC132983

***IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("*Merchant Bankers Regulations*"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.**

IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations**"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue.*

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Email: iiflhome.ncd@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Mr. Rupesh Khant
Compliance Officer: Mr. Ankit
SEBI Registration Number: INM000011179
CIN: L67120MH1995PLC086241

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051,
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5066
Email: projectdawn@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Brijmohan Bohra
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: + 91 22 4332 0700
Fax: + 91 22 4332-0750
Email: iiflhome.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact Person: Mr. Ankit Jain
Compliance Officer: Mr. Jyot Bhat
SEBI Registration No.: INM000011286
CIN: U65910MH2007PTC172599

Debenture Trustee:

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)
'GDA House' Plot No. 85, Bhusari Colony (Right), Kothrud, Pune - 411038
Tel: + 91 22 4922 0555
Fax: + 91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
Compliance Officer: Rakhi Kulkarni
SEBI Registration No: IND000000034

CIN: U74999PN1997PLC110262
Catalyst Trusteeship Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated May 28, 2021 given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as "**Trustees**"). A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders is annexed as *Annexure C* to this Draft Shelf Prospectus.

All the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please see "*Issue Related Information*" on page 371.

For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" beginning on page 371.

Lead Brokers to the Issue

As specified in respective Tranche Prospectus.

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Tel.: + 91 22 4918 6200
Fax: + 91 22 4918 6195
Email: iiflhome.ncd@linkintime.co.in
Investor Grievance Email: iiflhome.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Compliance Officer: B N Ramakrishnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

Link Intime India Private Limited, has by its letter dated June 07, 2021 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus and / or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Statutory Auditors

M.P. Chitale & Co.
1st Floor, Hamam House,
Ambalal Doshi Marg,
Fort, Mumbai – 400 001
Maharashtra, India
Tel.: +91 22 2265 1186
Email: harnish.shah@mpchitale.com
Membership No: 145160
Firm Registration No: 101851W
Contact Person: Harnish Shah

M.P. Chitale & Co. has been the statutory auditors of our Company since June 7, 2020.

Credit Rating Agency

CRISIL Ratings Limited
CRISIL House, Central Avenue,
Hiranandani Business Park,

Powai, Mumbai – 40076,
Maharashtra, India
Tel: +91 22 3342 3000 (B)
Fax: +91 22 3342 3050
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Krishnan Sitaraman
SEBI Registration No: IN/CRA/001/199
CIN: U67100MH2019PLC326247

Brickwork Ratings India Private Limited
3rd Floor, Raj Alkaa Park,
Kalena Agrahara, Bannerghatta Road,
Bengaluru – 560076,
Karnataka, India
Tel: +91 80404 09940
Email: CO@brickworkratings.com
Website: www.brickworkratings.com
Contact Person: Mr. Ajanth Kumar
SEBI Registration No: IN/CRA/005/2008
CIN: U67190KA2007PTC043591

Industry Report

CRISIL Limited
CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Website: www.crisil.com
SEBI Registration No: IN/CRA/00l/1999

Disclaimer Clause of CRISIL Limited (Industry Report)

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) for an amount of ₹50,000 million by CRISIL Ratings Limited vide their rating letter dated June 11, 2021 and BWR AA+/ Negative (Assigned) (pronounced as "BWR Double A plus with Negative outlook") for an amount of ₹50,000 million by Brickwork Ratings India Private Limited vide their rating letter dated June 11, 2021. The aforesaid rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexures A and B* of this Draft Shelf Prospectus for the rationale of the above ratings.

Disclaimer clause of CRISIL Ratings Limited (Credit Rating Agency)

CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A CRISIL

Ratings' rating reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL Ratings' rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. IIFL Home Finance will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and rating criteria by CRISIL Ratings are available without charge to the public on the CRISIL Ratings web site, www.crisilratings.com. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.

Disclaimer clause of Brickwork Ratings Private Limited (Credit Rating Agency)

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India (SEBI) registered Credit Rating Agency and accredited by the Reserve Bank of India (RBI), offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitization Products, Municipal Bonds, etc.
(hereafter referred to as "Instruments"). BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable.

The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).
BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.
Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "**BWR Party**") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party
disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.

Legal Counsel to the Issue

Khaitan & Co.
One World Centre
10th & 13th Floor, Tower 1C,
841 Senapati Bapat Marg,
Mumbai – 400 013,
Maharashtra, India
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050
Website: www.khaitanco.com

Bankers to our Company

Axis Bank Limited
Ground Floor, Jeevan Prakash Building,
Sir P M Road, Fort, Mumbai – 400 001,
Maharashtra, India.
Tel: +91 22 4086 7371/7335
Fax: +91 22 40867327
Email: amit.retharekar@axisbank.com/
ryan.moraes@axisbank.com
Contact Person: Mr. Amit Retharekar / Mr. Ryan Moraes
Website: www.axisbank.com
CIN: L65110GJ1993PLC020769

IDFC First Bank
Naman Chambers, C-32, G Block,
Bandra (E), Mumbai – 400 051
Maharashtra, India.
Tel: +91 22 7132 5659
Email: saumya.wahi@idfcfirstbank.com
Contact Person: Saumya Wahi Narang
Website: www.idfcfirstbank.com
CIN: L65110TN2014PLC097792

RBL Bank Limited
One Indiabulls Centre, Tower 2B, 6th Floor,
841 Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India.
Tel: +91 99204 35898
Email: Manan.mehta@rblbank.com
Contact Person: Mr. Manan Mehta
Website: www.rblbank.com
CIN: L65191PN1943PLC007308

HDFC Bank Ltd.
HDFC Bank Ltd., Zenith House, 2nd Floor,
Opposite Mahalaxmi Race Course, Mahalaxmi,
Mumbai – 400 034, Maharashtra, India.
Tel: +91 22 3976 0546
Email: xerses.davar@hdfcbank.com
Contact Person: Xerses Davar
Website: www.hdfcbank.com
CIN: L65920MH1994PLC080618

Public Issue Account Banks

As specified in the relevant Tranche Prospectus for each Tranche

Refund Bank

As specified in the relevant Tranche Prospectus for each Tranche

Sponsor Bank

As specified in the relevant Tranche Prospectus for each Tranche

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who —

a. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

b. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

c. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

Underwriting

The Issue is not underwritten**.**

Arrangers to the Issue

There are no arrangers to the Issue.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

Our Company has received consent from statutory auditor namely M/s M.P Chitale & Co. to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as '*expert*' as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current Statutory Auditor and in respect of their (i) examination report dated June 15, 2021 on our Reformatted Financial Statements under Ind AS, (ii) examination report dated June 15, 2021 on our Reformatted Financial Statements under IGAAP; and (iii) the statement of tax benefits and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Self-Certified Syndicate Bank

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of ASBA Forms and Application Forms where investors have opted for payment via UPI Mechanism from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the NSE and BSE for CRTAs and CDPs, as updated from time to time.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds see, "*Terms of the Issue*" beginning on page 376.

Issue Programme

ISSUE OPENS ON	As specified in relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in relevant Tranche Prospectus

The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m.(*Indian Standard Time*), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the Finance Committee of the Board of Directors of our Company. In the event of such an early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure.

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(*Indian Standard Time*) *("**Bidding Period**")* or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (*Indian Standard Time*) or such extended time as may be permitted by the Stock **Exchanges**. It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date For further details please refer to the chapter titled "*Issue Related Information*" on page 371.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (*Indian Standard Time*) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. However, in the event of oversubscription, on such date, the allotments would be made to the applicants on proportionate basis.

CAPITAL STRUCTURE

Details of Share Capital and Securities Premium account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as on March 31, 2021:

(in ₹)

	Aggregate value
Authorised share capital	
152,000,000 Equity Shares of face value ₹ 10 each	152,00,00,000
20,000,000 Preference Shares of face value ₹ 10 each	20,00,00,000
Total	**17,200,00,000**
Issued, subscribed and paid up share capital	
20,968,181 Equity Shares of face value ₹ 10 each	209,681,810
Total	**209,681,810**
Securities premium account	7,991,567,740

[1] *There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.*
[2] *None of the equity shares held by the Promoters of our Company are either pledged or encumbered.*

1. **Details of change in authorised share capital of our Company since incorporation and as on the quarter ended March 31, 2021:**

Date of AGM / EGM	Authorized Share Capital (in ₹)	Particulars	Change in Equity Share Capital	Change in Preference Share Capital
February 14, 2007	25,000,000	Increase in the authorised share capital of our Company from ₹ 20,000,000 divided into 2,000,000 Equity Shares of ₹ 10 each to ₹ 25,000,000 divided into 2,500,000 Equity Shares of ₹ 10 each	25,00,000 Equity Shares of ₹10 each by creation of additional 5,00,000 Equity Shares of ₹10	-
September 29, 2009	275,000,000	Increase in the authorised share capital of our Company from ₹ 25,000,000 divided into 2,500,000 Equity Shares of ₹ 10 each to ₹ 275,000,000 divided into 7,500,000 Equity Shares of ₹ 10 each and ₹ 20,000,000 Preference Shares of ₹ 10 each.	75,00,000Equity Shares of ₹10 aggregating to ₹ 7,50,00,000	2,00,00,000 Preference Shares of ₹ 10 each aggregating to ₹ 20,00,00,000
October 12, 2010	310,000,000	Increase in the authorised share capital of our Company from ₹ 275,000,000 divided into 7,500,000 equity shares of ₹ 10 each and ₹ 20,000,000 Preference Shares of ₹ 10 each to ₹ 310,000,000 divided into 11,000,000 Equity Shares of ₹ 10 each and 20,000,000 Preference Shares of ₹ 10 each	1,10,00,000 Equity Shares of ₹10 aggregating to ₹ 11,00,00,000	2,00,00,000 Preference Shares of ₹ 10 each aggregating to ₹ 20,00,00,000
September 23, 2013	1,660,000,000	Increase in the authorised share capital of our Company from ₹ 310,000,000 divided into 11,000,000 Equity Shares of ₹ 10 each and 20,000,000 Preference Shares of ₹ 10 each to ₹ 1,660,000,000 divided into 11,000,000 Equity Shares of ₹ 10 each and 155,000,000 Preference Shares of ₹ 10 each	1,10,00,000 Equity Shares of ₹10	15,50,00,000 Preference Shares of ₹10
December 30, 2015	1,720,000,000	Increase in the authorised share capital of our Company from ₹ 1,660,000,000 divided into	1,70,00,000 Equity Shares of ₹ 10	15,50,00,000 Preference Shares of ₹10

Date of AGM / EGM	Authorized Share Capital (in ₹)	Particulars	Change in Equity Share Capital	Change in Preference Share Capital
		11,000,000 Equity Shares of ₹ 10 each and 155,000,000 Preference Shares of ₹ 10 each to ₹ 1,720,000,000 divided into 17,000,000 Equity Shares of ₹ 10 each and 155,000,000 Preference Shares of ₹ 10 each		
September 26, 2016	-	Reclassification of the authorised share capital from ₹ 1,720,000,000 divided into 17,000,000 Equity Shares of ₹ 10 each and 155,000,000 Preference Shares of ₹ 10 each to ₹ 1,720,000,000 divided into 152,000,000 Equity Shares of ₹ 10 each and 20,000,000 Preference Shares of ₹ 10 each	152,000,000 Equity Shares of ₹ 10 each	20,000,000 Preference Shares of ₹ 10 each

2. **Equity Share capital history of our Company**

The Equity Share capital history of our Company for the last five years and as on the quarter ended March 31, 2021, is as mentioned below:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Equity Share capital (₹)	Cumulative Share Premium Account (₹)
September 30, 2016	3,000,000	10.00	750.00	Cash	Rights issue(1)	17,968,181	179,681,810	552,25,67,740
March 30, 2017	2,000,000	10.00	800.00	Cash	Rights issue(2)	19,968,181	199,681,810	700,25,67,740
November 30, 2018	1,000,000	10.00	1,000.00	Cash	Rights issue(3)	20,968,181	209,681,810	799,25,67,740

(1)*Allotment of 3,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*
(2)*Allotment of 2,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*
(3)*Allotment of 1,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*

The amount of Securities Premium utilized was:

Sr. No	Fiscal	Amount (in ₹)	Utilization
1	2016	10,00,000	Stamp Duty Payment
2	2017	10,00,00,000	Premium paid on redemption of preference shares
3	2019	10,00,000	Stamp Duty Payment

3. **Preference Share capital history of our Company**

The Preference Share capital history of our Company for the last five years and as on the quarter ended March 31, 2021, is as mentioned below:

1. 10 % Non-**Convertible Redeemable Preference shares**

Date of Allotment	No. of Preference Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Preference Shares	Cumulative Preference Share Capital (in ₹)	Cumulative Preference Share Premium (in ₹)
September 30, 2009	20,000,000 **	10	15	Cash	Preferential Allotment*	20,000,000	200,000,000	100,000,000

* *Preferential allotment of 20,000,000 10% Non-Convertible Redeemable Preference Shares to India Infoline Finance Limited.*
*** Pursuant to shareholders resolution vide extra ordinary general meeting held on November 15, 2016, 20,000,00 10% Non – Convertible*

Redeemable Preference Shares of ₹ 10 each, were redeemed by the Company.

2. 6% Compulsorily Convertible Redeemable Preference Shares:

Date of Allotment	No. of Preference Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Preference Shares	Cumulative Preference Share Capital (in ₹)	Cumulative Preference Share Premium (in ₹)
September 30, 2013	135,000,000**	10	10	Cash	Preferential Allotment*	135,000,000	1,350,000,000	-

* *Preferential allotment of 135,000,000 6% Compulsorily Convertible Redeemable Preference Shares to IIFL Holdings Limited (Formerly known as India Infoline Limited) on September 30, 2013. The said shares were transferred from IIFL Holdings Limited to India Infoline Finance Limited on March 27, 2014. India Infoline Finance Limited divested 6% compulsorily convertible preference shares ("Preference Shares") of the Company amounting to ₹ 50 Crore to India Infoline Limited (formerly India Infoline Distribution Company Limited), for consideration of an amount of face value of the preference shares plus accrued dividend till the date of transfer on June 30, 2014. Further, on September 26, 2014, India Infoline Finance Limited divested Preference Shares amounting to ₹ 60 Crore to IIFL Holdings Limited for consideration of an amount of face value of the preference shares plus accrued dividend till the date of transfer.*

** *Pursuant to a resolution of the Board of Directors of the Company passed by circulation on March 9, 2016, 6% compulsorily convertible preference shares were converted into 22,50,000 equity shares.*

4. **Details of Equity Shares issued for consideration other than cash**

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash in the five years prior to the quarter ended March 31, 2021:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reason / Nature of allotment	Details of benefits accrued to our Company if any
March 9, 2016	2,250,000	10.00	600.00	Allotment pursuant to conversion of 6% compulsorily convertible preference shares	Preference shares were carrying right of dividend at rate of 10% per annum and were redeemable as per their terms of issue; whereas equity share does not carry any fixed obligation to pay dividend.

5. **Details of change in the promoter holding in our Company during the last financial year beyond 26% (as *prescribed by RBI)***

There has been no change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

6. **Details of Promoter's shareholding in our Company as of the quarter ended March 31, 2021**

Name of Promoter	Total Number of Equity Shares held	Number of Equity Shares in demat form	Total shareholding as a percentage of total number of Equity Shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
IIFL Finance Limited	20,967,581	20,967,581	100.00	Nil	Not applicable

7. **Details of Promoter' shareholding in our Company's Subsidiaries as on the quarter ended March 31, 2021**

Our Company does not have any subsidiaries as on the date of this Draft Shelf Prospectus and did not have any subsidiaries as on March 31, 2021.

8. **Shareholding of Directors in our Company as on the quarter ended March 31, 2021**

Other than as stated below, none of our Directors hold any Equity Shares as on the date of this Draft Shelf Prospectus:

Name of Director	Number of Equity Shares held
Monu Ratra*	100

* *Equity Shares held as a nominee of IIFL Finance Limited.*

9. **Shareholding of Directors in subsidiaries, joint ventures and associates**

Our Company does not have any subsidiaries, joint ventures as on the date of this Draft Shelf Prospectus. Other than Monu Ratra, who is a director in our Associate Company i.e., Samasta Microfinance Limited, none of our Directors hold directorship in our Associate Company.

10. **Top 10 holders of Secured and Unsecured Redeemable Non- Convertible Debentures of our Company as on March 31, 2021:**

(₹ in million)

S. No.	Name	Total Value
1	Life Insurance Corporation Of India	6,000.00
2	IDFC First Bank Limited	2,000.00
3	UTI Mutual Fund	1,980.00
4	HDFC Mutual Fund	1,080.00
5	State Bank of India	1,000.00
6	DSP Mutual Fund	1,000.00
7	Kotak Mahindra Mutual Fund	990.00
8	HDFC Bank Limited	843.75
9	Nippon Life Mutual Fund	822.00
10	Sporta Technologies Private Limited	525.00

Note: The above top 10 debenture holders is as per the Beneficiary position received from the RTA as on March, 2021 and have adjusted for the NCDs which we have been partly redeemed on or before 31 March, 2021 but the part redemption of the said ISINs from depository registry were pending as on 31st March 2021.

For details regarding the outstanding debentures issued by the Company, please see "*Financial Indebtedness*" on page 309.

11. **Shareholding pattern of our Company**

The following is the shareholding pattern of our Company, as on the quarter ended March 31, 2021:

Sr. No.	Name of shareholders	Total number of Equity Shares held	Number of Equity Shares held in dematerialised form	Total shareholding as % of total no of Equity Shares
1.	IIFL Finance Limited	20,967,581	20,967,581	100
2.	Govind Modani*	100	-	- ^
3.	Narendra Jain*	100	-	- ^
4.	Rajesh Rajak*	100	-	- ^
5.	Amit Kumar Gupta*	100	-	- ^
6.	Monu Ratra*	100	-	- ^
7.	Sneha Patwardhan*	100	-	- ^
	Total	**20,968,181**	**20,967,581**	**100**

* *Equity Shares held as a nominee of IIFL Finance Limited.*
^ *Less than 0.01% shareholding.*

12. **Top 10 Equity Shareholders of our Company as at the quarter ended March 31, 2021**

Sr. No.	Shareholder's name	Equity Shares	Percentage (%)
1.	IIFL Finance Limited	20,967,581	100
2.	Govind Modani*	100	Negligible
3.	Narendra Jain*	100	Negligible
4.	Rajesh Rajak*	100	Negligible
5.	Amit Kumar Gupta*	100	Negligible
6.	Monu Ratra*	100	Negligible
7.	Sneha Patwardhan*	100	Negligible

* *Equity Shares held as a nominee of IIFL Finance Limited*

13. **Long term debt to equity ratio**

The debt to equity ratio prior to this Issue is 6.06 times, based on a total outstanding debt of ₹ 130,102.45 million and shareholder funds amounting to ₹ 21,457.09 million as on March 31, 2021. The debt to equity ratio post completion of the Issue (assuming subscription of ₹ 50,000 million) is 8.39 times, based on a total outstanding debt of ₹ 180,102.45 million and shareholders fund of ₹ 21,457.09 million as on March 31, 2021.

14. **Debt to Equity Ratio of our Company as on March 31, 2021**:

(₹ in million)

Particulars	Pre issue as at March 31, 2021	Post issue*
Debt		
Debt Securities & Subordinated Liabilities	25,394.23	75,394.23
Borrowings (Other than Debt Securities)	1,04,708.22	1,04,708.22
Total Debt (A)	**1,30,102.45**	**1,80,102.45**
Equity		
Equity and Share Capital	209.68	209.68
Other Equity	21,247.41	21,247.41
Total Equity (B)	21,457.09	21,457.09
Debt / Equity (A/ B)	**6.06**	**8.39**

**The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹50,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

For details regarding the total outstanding indebtedness of the Company, please see "*Financial Indebtedness*" on page 309.

15. **Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, the Promoter Group the Directors of our Promoter, the Directors of our Company, and their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus**

    No securities including shares of our Company were either purchased or sold by our Promoter, Promoter Group, the directors of our Promoter, the Directors of our Company and their relatives within six months immediately preceding the date of this Draft Shelf Prospectus.

16. No acquisition or amalgamation has been undertaken by our Company in the last one year.

17. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.

18. As per the Articles of Association of our Company, the Directors are not required to hold any qualification shares in our Company.

19. As on the date of this Draft Shelf Prospectus, our Company does not have an employee stock option scheme.

OBJECTS OF THE ISSUE

Issue Proceeds

Public issue by our Company of Secured NCDs of face value of ₹ 1,000 each and/or Unsecured NCDs of face value ₹ 1,000 each, for an amount aggregating up to the Shelf Limit. The Unsecured NCDs will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus. The Issue is being made pursuant to the provisions of the SEBI Debt Regulations and the Companies Act, 2013.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (₹ in million)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: Tranche Issue related expenses*	As mentioned in the relevant Tranche Prospectus
Net Proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus
Net Proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

* *The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

The following table details the objects of the Issue and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of our Company #	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
Total		**100%**

#*The Company shall not utilize the proceeds of the Issue towards payment of prepayment penalty, if any.*
**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.*

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.
The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit

Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2022, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

Interim use of proceeds

Our Management will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above. Our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Augment our capital base

We are a housing finance company in India and are registered with the NHB and are a notified financial institution under the SARFAESI Act. We focus on providing affordable housing finance products for the economically weaker sections and lower income segments in India, and cater to both salaried and self-employed borrowers. For details, see "*Our Business*" on page 93.

As per the RBI Master Directions, we are required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital. Regulation 6 of the RBI Master Directions currently requires all HFCs to comply with a CRAR, consisting of Tier I and Tier II capital of not less than 13% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items, on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter. At a minimum, Tier I capital of an HFC cannot be less than 10%. Further, we are required to ensure that the total Tier II capital at any point of time, should not exceed 100% of Tier – I capital. For details, see "*Regulations and Policies*" on page 135.

As of March 31, 2021, our Company's CRAR - Tier I capital, in accordance with the Reformatted Financial Statements was 19.61%. The Net Proceeds are proposed to be utilized for increasing our capital base, which will be utilized towards our Company's business and growth including towards onwards lending, payment of operating expenditure, purchase of assets and repayment of outstanding loans and interest thereon as part of our business activities. We anticipate that the Net Proceeds will be sufficient to satisfy our Company's Tier- I capital requirements for Fiscal 2022.

The Net Proceeds will be utilised to increase our Company's Tier I capital base to meet our future capital requirements which are expected to arise out of growth of our business and assets and to ensure compliance with the NHB Directions.

Other Confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the same group as our Company or who is under the same management as our Company.

Proceeds from the Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

Issue Related Expenses Break-up

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Lead Brokers and intermediaries as provided for in the UPI Mechanism Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Variation in terms of contract or objects in Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoter/Directors out of the object of the Issue

Neither our Promoter nor the Directors of our Company are interested in the Objects of the Issue.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
IIFL Home Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V,
Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate
Thane 400 604
Maharashtra, India

Sub: Proposed Public Offering of Secured, Redeemable, Non-Convertible Debentures and/or Unsecured, Subordinated, Redeemable, Non-Convertible Debentures ("NCDs") By IIFL Home Finance Limited ("Company") with a shelf limit of up to ₹ 5,000 Crore ("Issue"). The Unsecured NCDs Will be in the nature of subordinated debt and shall be eligible for Tier II Capital

This certificate is issued in accordance with the terms of our engagement letter dated June 1, 2021.

The accompanying following note prepared by the Company, discusses the special tax provisions applicable to the Potential Debenture holders ("Investors") subscribing in the NCDs of IIFL Home Finance Limited (the "**Company**") in Annexure A (hereinafter referred to as "**Statement of Tax Benefits/Statement**"), under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2020 (hereinafter referred to as the "**IT Act**") in connection with the offering.

Management's Responsibility

The preparation of this Statement as of the date of our certificate which is to be included in the Draft Shelf Prospectus / Shelf Prospectus / the respective Tranche Prospectus(es) (the "**Offering Document**") is the responsibility of the management of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Our Responsibility

Our responsibility is to examine whether the Statement prepared by the company, in all material respects, is in accordance with applicable provision of the IT Act. For this purpose, we have read the statement of tax benefits as given in Annexure I, and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes*' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time; the aforesaid Guidance Note requires that we comply with the ethical requirements of the '*Code of Ethics*' issued by the ICAI, as revised from time to time. Further, we have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, '*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*', as revised from time to time.

Inherent Limitations

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure I are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) Debenture holders of the company will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or
iii) the revenue authorities/ Courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Tax Benefits prepared by the company as set out in Annexure I materially covers all tax benefits available as at the date of our report to Debenture Holders, in accordance with provisions of the IT Act as amended.

Restriction on Use

We hereby consent to inclusion of the extracts of this certificate in the draft shelf prospectus, shelf prospectus and respective Tranche Prospectus(es) and/or any other document in relation to the Issue, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.: 101851W

Harnish Shah
Partner
Membership No. 145160
UDIN: 21145160AAAAAP6493
Place: Mumbai
Date: June 17, 2021

Annexure I

IIFL Home Finance Limited

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

The note is based on the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2020 (FA 2020)[1].

This note intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   Long-term Capital Gains (other than long-term capital gains chargeable under section 112A of the IT Act) will be chargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively – Refer Note 2) with indexation.

   Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess– Refer Note 2) in respect of listed securities (other than a unit) or zero- coupon bonds (as defined).

   However, as per the fourth proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the IT Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains on listed bonds arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer.

   Short-term capital gains are chargeable to tax as per the applicable general tax rates (discussed in Note 1 and Note 2 above).

   In case of FIIs/ FPIs, as per section 115AD of the IT Act, short term capital gains on transfer or sale of NCDs are taxable at the rate of 30 per cent (plus applicable surcharge and health and education cess)

4. As per Section 74 of the I.T. Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

5. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business

income or loss in accordance with and subject to the provisions of the I.T. Act.

6. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit / payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of any security issued by a Company in a dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act 1956 and the rules made thereunder.

7. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

8. In case of every Individual, being a resident in India, who is of the age sixty years or more but less than eighty years at any time during the previous year rate of income tax is nil (where total income does not exceed Rs.3,00,000), 5% of amount by which total income exceeds Rs. 3,00,000 (where total income is more than Rs. 3,00,000 but does not exceed Rs. 5,00,000), 20% of the amount by which the total income exceeds Rs.5,00,000 (where total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000) and 30% of the amount by which the total income exceeds Rs. 10,00,000. Plus Surcharge, if any, and Health and Education Cess @4% on the aggregate of Income Tax and Surcharge.

9. In case of every Individual, being a resident in India, who is of the age eighty years or more at any time during the previous year rate of income tax is nil (where total income does not exceed Rs.5,00,000), 20% of the amount by which the total income exceeds Rs.5,00,000 (where total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000) and 30% of the amount by which the total income exceeds Rs. 10,00,000. Plus Surcharge, if any, and Health and Education Cess @ 4% on the aggregate of Income Tax and Surcharge.

10. Alternatively, where an individual or a HUF exercises the option to be assessed to tax under the provisions of section 115BAC of the IT Act inserted by FA 2020, the following shall be the rate of tax applicable:

Slab	Tax Rate
Total income up to Rs 250,000	Nil
More than Rs 250,000 but up to Rs 500,000@	5 per cent of excess over Rs 250,000
More than Rs 500,000 but up to Rs 750,000	10 per cent of excess over Rs 500,000 + Rs 12,500
More than Rs 750,000 but up to Rs 1,000,000	15 per cent of excess over Rs 750,000 + Rs 37,500
More than Rs 1,000,000 but up to Rs 1,250,000	20 per cent of excess over Rs 1,000,000 + Rs 75,000
More than Rs 1,250,000 but up to Rs 1,500,000	25 per cent of excess over Rs 1,250,000 + Rs 1,25,000
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 + Rs 1,87,500

11. In the case of Resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000). However, the enhanced surcharge does not apply to capital gain on sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax. In such cases where the net income exceeds Rs.2,00,00,000 the surcharge shall be payable at the rate of 15% on such capital gains from sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax.

12. In the case of every domestic Indian company where total turnover or gross receipts does nor exceed Rs.400 crore in FY 2018-19, tax shall be payable at the rate of 25%. In case of other domestic Indian companies, tax shall be payable at the rate of 30%. Surcharge shall be payable at the rate of 12% if the total income exceeds Rs.10 crore; 7% if the total income exceeds Rs.1 crore but does not exceed Rs.10 crore and no surcharge if the total income does not exceed Rs.1 crore. In addition to this, cess at the rate of 4% shall be payable on the income-tax plus surcharge.

13. According to the Taxation Laws (Amendment) Act, 2019, domestic Indian companies have an option to pay tax at concessional rates as specified in sections 115BAA and 115BAB.

Any domestic company has an option to pay income-tax at the rate of 22% subject to condition that they will not avail any prescribed exemption/incentive/losses. Surcharge shall be payable at the rate of 10% and Cess shall be payable at the rate of 4% on the income-tax plus surcharge. The effective tax rate for these companies shall be

25.17% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

Any new domestic company incorporated on or after 1st October 2019 making fresh investment in manufacturing, has an option to pay income-tax at the rate of 15%. This benefit is available to companies which do not avail any prescribed exemption/incentive/losses and commences their production on or before 31st March, 2023. Surcharge shall be payable at the rate of 10% and Cess shall be payable at the rate of 4% on the income- tax plus surcharge. The effective tax rate for these companies shall be 17.16% inclusive of surcharge and cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

A company which does not opt for the concessional tax regime and avails the tax exemption/incentive shall continue to pay tax at the pre-amended rate. However, these companies can opt for the concessional tax regime after expiry of their tax holiday/exemption period. After the exercise of the option they shall be liable to pay tax at the rate of 22% (subject to fulfillment of prescribed conditions) and option once exercised cannot be subsequently withdrawn. Further, in order to provide relief to companies which continue to avail exemptions/incentives, the rate of Minimum Alternate Tax has been reduced from existing 18.5% to 15%.

II. Tax benefits available to the Non - Resident Debenture Holders

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I. T. Act, subject to the provisions contained therein which are given in brief as under:

   a. As per section 115C(e) of the I. T. Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

   b. In case of non-residents, under the IT Act, the interest income will be chargeable to tax at the rate of 30/ 40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).However, the above is subject to any relief available under DTAA and any Covered Tax Agreement (CTA) entered into by the Government of India

   c. As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

      Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in case of listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess) without indexation.

      The above-mentioned rates would be subject to applicable treaty relief.

      Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   a. As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I. T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains claimed earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.

   b. As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and / or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

c. As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

d. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

   i) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
   ii) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
   iii) where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a Non - resident Indian.

3. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act.

4. The income tax deducted shall be increased by surcharge as under:

   a. In the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000). However, the enhanced surcharge does not apply to capital gain on sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax. In such cases where the net income exceeds Rs.2,00,00,000 the surcharge shall be payable at the rate of 15% on such capital gains from sale of listed equity shares or units of equity oriented fund or business trust liable to securities transaction tax.
   b. In the case of Foreign companies, surcharge is applicable at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000. Surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.
   c. Cess is to be applied at 4% on aggregate of base tax and surcharge.

5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) read with Multi-Lateral Instrument (MLI) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

6. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

III. Tax benefit available to the Foreign Institutional Investors / foreign portfolio investors (FII's/ FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act., 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

3. Interest on NCD may be eligible for concessional tax rate of 5 per cent (plus applicable surcharge and health and education cess) under section 194LD or 194LC of the IT Act. Further, in case where section 194LD or 194LC is not applicable, the interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act. Vide Finance Act, 2021 , a new provision has been introduced under section 196LD , wherein if DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.

4. Section 194LD in the I. T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company till July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.
5. The income tax deducted shall be increased by applicable surcharge and health and education cess.

6. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

7. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

V. Exemption under Section 54F of the I.T. Act

1. As per provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holders who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax claimed earlier would became chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

2. As per provisions of section 54F of the I.T. Act, any long term capital gain on the transfer of a long-term capital asset, arising to a debenture holders is exempt from tax , if the assessee invested the whole or any part of capital gains in the long-term specified asset at any time within a period of six months. If the cost of the long-term

specified asset is less than the capital gain arising from the transfer of the original asset, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the investment in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees: If the long term specified asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would became chargeable to tax as long term capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019 , of such fund as may be notified by the Central Government in this behalf.

VI. General Anti-Avoidance Rule ('GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be interalia denial of tax benefit. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated September 23, 2013.

VII. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

   i. at the rate specified in the relevant provision of the I. T. Act; or
   ii. at the rate or rates in force; or
   iii. at the rate of twenty per cent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of interest, if the non-resident deductee furnishes the prescribed details *inter alia* TRC and Tax Identification Number (TIN).A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per para (2) above in such a case.

4. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and para (2) above will apply apart from penal consequences.

5. Section 206BA requires every person to withhold tax rate at higher of twice the applicable rate or 5% in respect of all TDS/TCS provisions for non-filers of return of income with effect from 1 July 2021.

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

a. without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

b. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I. T. Act.

NOTES:

- Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person as per para I (10) and para II(4) above.

- Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.

- Surcharge is levied on domestic companies as per para I(10) or I(11) above.

- Surcharge is levied on every company other than domestic company as per para II(4) above.

- Health and Education Cess is to be applied at the rate of 4% on aggregate of base tax and surcharge.

- The above statement covers only certain relevant benefits under the Income Tax Act, 1961 and does not cover benefits under any other law

- This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For IIFL Home Finance Limited

Amit Gupta
Chief Financial Officer
Place: Gurugram
Date: June 17, 2021

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information under this section has been derived from the industry report titled "NBFC Report 2021" dated June 2021 prepared by CRISIL Research in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead Managers, our Legal advisors or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Draft Shelf Prospectus.

Overview of Global Economy

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature. But it could have been a lot worse. Although difficult to pin down precisely, IMF staff estimates suggest that the contraction could have been three times as large if not for extraordinary policy support. Much remains to be done to beat back the pandemic and avoid divergence in income per capita across economies and persistent increases in inequality within countries. After an estimated contraction of –3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies.

Considerable variation is expected in the extent of policy support across countries. With regard to advanced economies, the United States and Japan have announced sizable fiscal support for 2021, and the European Union has agreed to start distributing the Next Generation EU funds. At $1.9 trillion, the Biden administration's new fiscal package is expected to deliver a strong boost to growth in the United States in 2021 and provide sizable positive spillovers to trading partners. Debt service costs are expected to remain manageable across advanced economies, thanks to the relatively large fraction of their debt burden covered by long-term and sometimes negative-yielding bonds. Fiscal support in emerging market and developing economies has been more limited, and deficits are generally expected to decline as revenues improve and crisis-related expenditures unwind with the projected economic recovery. Higher debt service costs are also expected to constrain their ability to address social needs, including rising poverty and growing inequality, or to correct the setback in human capital accumulation during the crisis.

The baseline assumes that monetary policy will remain accommodative and tighten only gradually as the recovery takes hold (including in some emerging market and developing economies where policy frameworks are well established and inflation expectations well anchored).

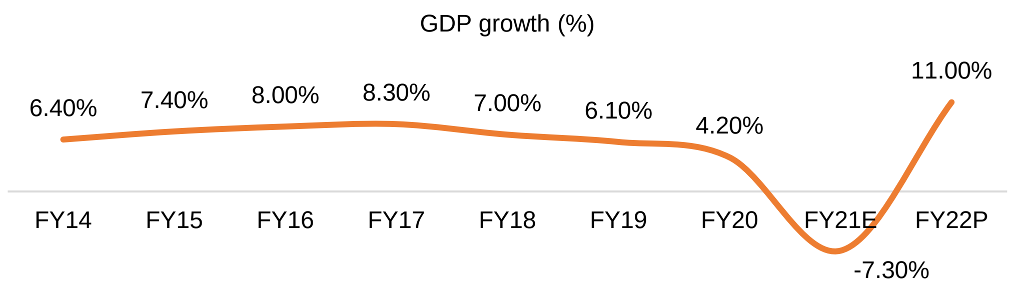
Source: IMF (World Economic Outlook – April 2021 update)

Overview of Indian Economy

According to the provisional estimates released by the National Statistical Office, India's GDP contracted by 7.3% (in real terms) in the previous fiscal, after having grown 4.0% in fiscal 2020. At Rs 135.1 lakh crore in fiscal 2021, Indian GDP in absolute terms went below even the fiscal 2019 level of Rs 140.0 lakh crore. While agriculture (3.6%) and utilities (1.9%) registered positive growth, trade, hotels, transport, communication, and services related to the broadcasting sector declined the most (-18.2%), followed by construction (-8.6%), mining (-8.5%) and manufacturing (-7.2%). Economic growth further improved in the fourth quarter (1.6% on-year real GDP growth), after returning to positive trajectory in the third (0.5%), helped largely by the 28.3% on-year rise in GFCE. On the supply side, however, the slowdown persisted in some sectors in the fourth quarter as well.

The ferocity of the second wave of the pandemic, which overwhelmed both India's healthcare apparatus and administrative capacity, may affect growth numbers for this fiscal. While the dispersion of cases in the second wave has been similar to the September 2020 peak, there is one critical difference. The number of cases exceeded the peak by over 4x, highlighting the enormous burden. As a result, lockdowns and restrictions, imposed state-wise, have been inevitable. These restrictions are having a detrimental impact on economic activity. This is evident in high-frequency indicators, which continued to weaken in May. Against this backdrop, we reviewed the GDP growth forecast for this fiscal. The evolving situation warrants continued monitoring of the pandemic spread to gauge the impact of lockdowns on the economy.

India's GDP to grow at 11% in fiscal 2022 in base case



Note: E - Provisional estimates, P - Projected
Source: National Statistical Office (NSO), CRISIL Research

The gains made by the economy in the fourth quarter of fiscal 2021 seem to have fizzled out in the first quarter of this fiscal because of the fierce second wave. To be sure, the low statistical base, global growth and acceleration in vaccinations would grow this fiscal, but continuation of the second wave, and possible future waves of the pandemic, ascribe a downside risk to our forecast of 11% real GDP growth this fiscal.

Positive reasons for good growth expectation even during the second wave include:

- In terms of the number of days, restrictions are less compared with fiscal 2021; however, the situation is still evolving
- The share of the top five most-hit states in the all-India GDP (~39%), industry (~37%) and services (~41%) is lower during the second wave
- Even in these states, lockdowns are less restrictive for economic activity. Agriculture, construction, manufacturing, and other essential activities have been permitted
- Rural cases are rising and are closer to the previous peak. Almost half of manufacturing, mining and construction activity is conducted in rural areas. Data suggests ~39% of new cases are in rural districts (where more than 70% of the population is rural) in May 2021, compared with 40% during the previous peak
- The global experience of second and third waves shows the hit to economic activity is devastating in the first wave. By the second wave, there is rising adaptability among households and corporates. Moreover, the vaccination rollout is gathering pace

The first half of this fiscal will be supported by a base effect, but clouded by the pandemic's spread. We expect the second half to be led by better-spread economic growth, owing to increased inoculations and higher adaptability to the pandemic, which would support laggard sectors. The second half should see stronger global growth, supporting India's exports to an extent.

The wedge between the manufacturing and service sector recoveries may continue or even widen. This is because restrictions and continuation of social distancing norms may have a larger impact on contact-based services, many of which could be vulnerable to a double-dip.

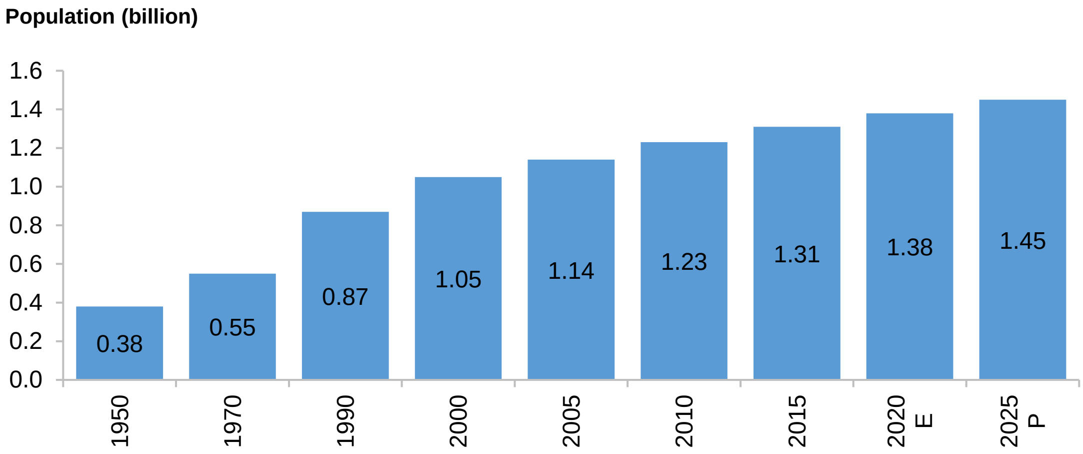
The recent surge in cases has led to high-frequency indicators softening, including mobility indicators, Goods and Services Tax e-way bills collection, railway freight, toll collection, etc.

India's advantages to help economy achieve stronger growth rate in the longer term

India has the second-largest population in the world

As per Census 2011, India's population was ~1.2 billion, comprising nearly 246 million households. The population increased by more than 181 million from 2001-11 and is expected to increase to 1.45 billion by 2025.

India's population growth trajectory

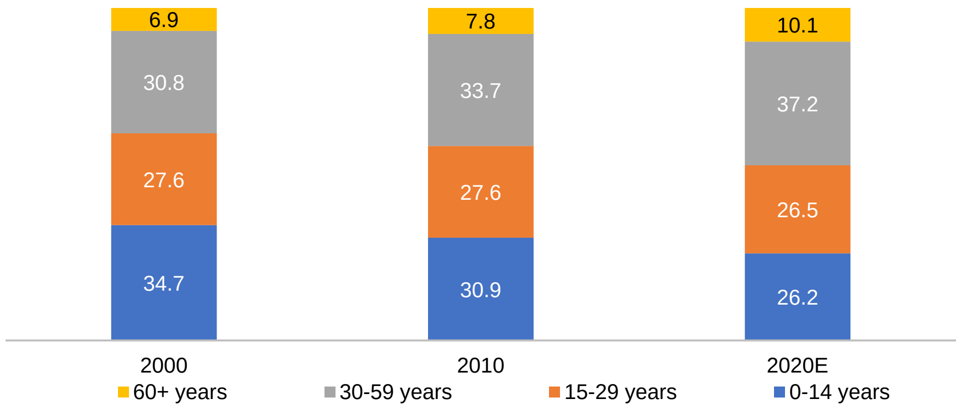


Source: United Nations Department of Economic and Social affairs, CRISIL Research

Favourable demographics

India is also one of the nations with the highest young population, with a median age of 28 years. About 90% of Indians are aged below 60 years. CRISIL Research estimates that 63% of this population is aged between 15 and 59 years. We expect the existence of the large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



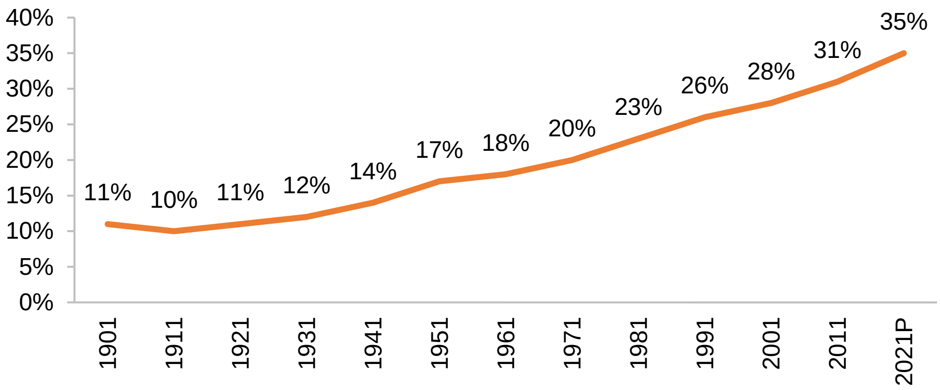
Source: United Nations Department of Economic and Social affairs, CRISIL Research

Rise in urbanisation

Urbanisation is a key growth driver for India since it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of the urban population in total population has been consistently rising over years, and is estimated to have reached 35% by 2020 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement, and given India's favourable demographics coupled with rising disposable incomes, the trend is likely to continue and drive economic growth.

Urbanisation in India

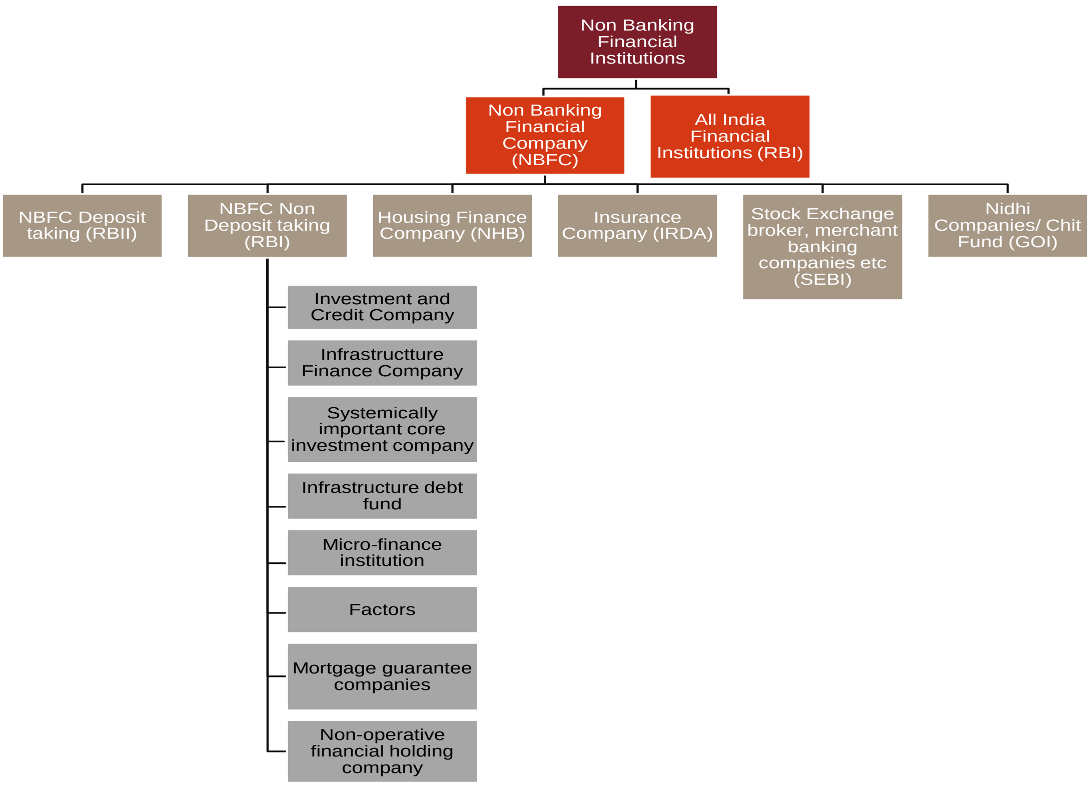


Source: United Nations Department of Economic and Social affairs, IMF

Overview of NBFC Sector

Structure of non-banking financial institutions in India

Indian financial system includes banks and non-bank financial companies (NBFCs). Though the banking system remains dominant in financial services, NBFCs have grown in importance by carving a niche for themselves in under-penetrated regions and unbanked segments.



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank
Source: RBI, CRISIL Research

NBFCs are an important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions.

NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion. As of March 2020, they accounted for ~23% of the overall systemic credit.

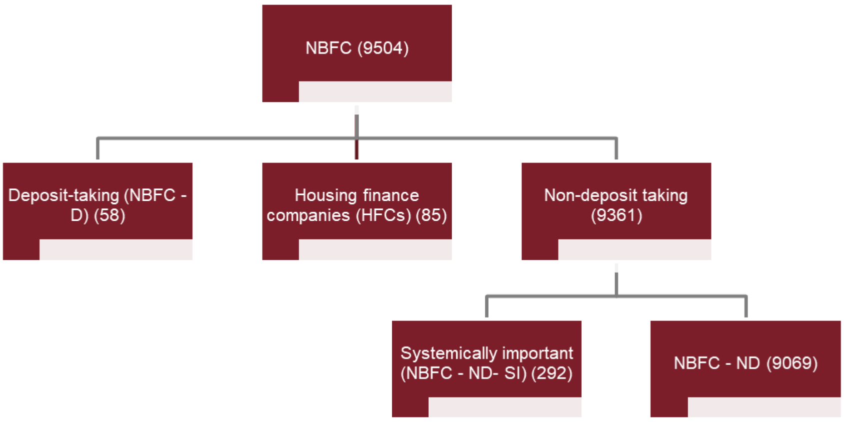
Classification of NBFCs

NBFCs have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance.

Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories: (a) deposit-taking; and (b) non-deposit taking. Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI), and separate prudential regulations were made applicable to them.



Source: RBI, CRISIL Research
Note: Figures in brackets represent number of entities registered with RBI as of January 2021.

Activity-based classification

As per the RBI circular dated February 22, 2019, the central bank has merged three categories of NBFCs, i.e., asset finance companies (AFC), loan companies (LCs) and investment companies (ICs), into a new category called NBFC - Investment and Credit Company (NBFC-ICC):

1. Investment and credit company – (NBFC-ICC): An NBFC-ICC means any company that is a financial institution carrying on as its principal business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

2. Infrastructure finance company (IFC): An IFC is an NBFC that deploys at least 75% of its total assets in infrastructure loans, and has a minimum net-owned funds of Rs 300 crore, with a minimum credit rating of 'A' or equivalent and a 15% CRAR (Capital to risk-weighted adequacy ratio).

3. Systemically important core investment company (CIC-ND-SI): A CIC-ND-SI is an NBFC in the business of acquisition of shares and securities and satisfying the following conditions:

    a) Holds not less than 90% of its total assets in the form of investments in equity shares, preference shares, debt or loans in group companies.
    b) Investments in equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies that constitute not less than 60% of its total assets.
    c) Does not trade in its investments in shares, debt or loans in group companies except through block sales for dilution or disinvestment

d) Does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI Act, 1934, except investments in bank deposits, money-market instruments, G-secs, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
e) Asset size is Rs 500 crore or above.
f) Accepts public funds.

4. Infrastructure debt fund (IDF-NBFC): An IDF-NBFC is a company registered as an NBFC to facilitate the flow of long-term debt into infrastructure projects. It raises resources through the issue of rupee or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs

5. Micro-finance institution (NBFC-MFI): An NBFC-MFI is a non-deposit-taking NBFC with not less than 85% of its assets in the nature of qualifying assets, which satisfy the following criteria:

   a) The NBFC-MFI can disburse loans to borrowers with a rural household annual income not exceeding Rs 100,000 or with urban and semi-urban household income not exceeding Rs 160,000.
   b) Loan amount does not exceed Rs 50,000 in the first cycle and Rs 100,000 in subsequent cycles.
   c) Total indebtedness of the borrower does not exceed Rs 100,000.
   d) Loan tenure to not be less than 24 months for a loan amount in excess of Rs 15,000 with prepayment without penalty.
   e) Loan to be extended without collateral.
   f) Aggregate amount of loans, given for income generation, is not less than 50% of total loans given by MFIs.
   g) Loan is repayable on weekly, fortnightly or monthly instalments as per the borrower’s choice.

6. Factors (NBFC-Factors): An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross income.

7. Mortgage guarantee companies (MGC): An MGC is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage-guarantee business and whose net-owned funds is atleast Rs 100 crore.

8. Non-operative financial holding company (NOFHC): An NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. A wholly owned NOFHC will hold the bank as well as all other financial services companies regulated by the RBI or other financial sector regulators to the extent permissible under the applicable regulatory prescriptions.

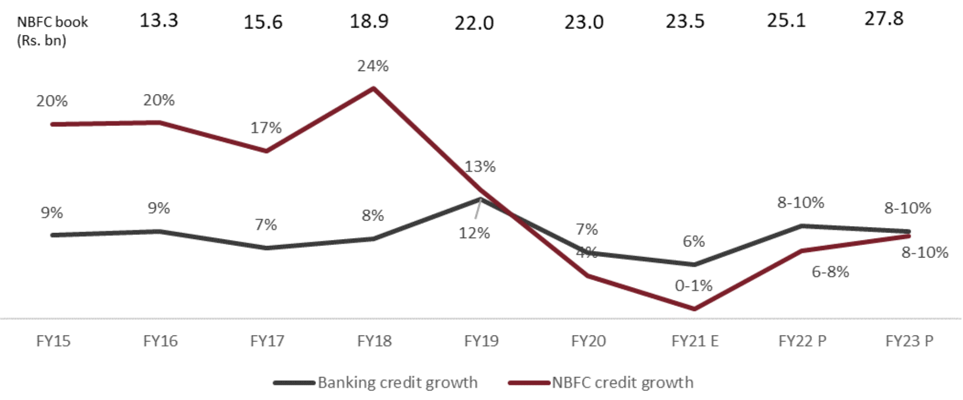
Improved growth for NBFCs in fiscal 2022

The resurgence of the pandemic, leading to the imposition of lockdowns in many states, will have a significant impact on NBFCs. Collection efficiency, which had normalised to near pre-Covid levels across major asset classes, is expected to suffer again. However, since the lockdown restrictions this time around are less severe than the complete nationwide lockdown last year, collections and delinquencies will not be as badly hit as in the first half of the previous fiscal. The RBI has announced a second phase of resolution to minimise the impact on lenders, under which Resolution Framework 2.0 was announced in May 2021. This should provide a breather to segments such as micro, small and medium enterprise (MSME), commercial vehicle (CV) financing, and personal loans, which will see a major dent in demand, operations and collection efficiencies.

Large NBFCs will remain more resilient because of better liquidity buffers. Since large and mid-sized NBFCs had managed strong capital and on-balance sheet buffers and had made higher provision in fiscal 2021, they may not need any more provisioning this fiscal. Disruption in business operations will impact collections, affecting smaller and weaker players more severely. Segments such as MFI, MSME and CV financing are likely to be impacted more.

Disbursements will decline in the first quarter this fiscal due to the slowdown, but should pick up from the second quarter as the economy improves. The NBFC loan book (excluding Power Finance Corporation [PFC] and Rural Electrification Corporation Ltd [REC]) is hence expected to grow 6-8% this fiscal compared with a flat performance in fiscal 2021. Increased vaccination and a return to some normalcy will lead to healthy growth in NBFC credit in fiscal 2023.

After a tough run, NBFC book to start growing from this fiscal



Source: Company reports, RBI, CRISIL Research

Housing Finance

Overview

The housing finance sector in India comprises financial institutions (FIs), scheduled commercial banks, scheduled cooperative banks, regional rural banks, agriculture and rural development banks, housing finance companies (HFCs), state level apex co-operative housing finance societies, NBFCs, MFIs, and self-help groups.

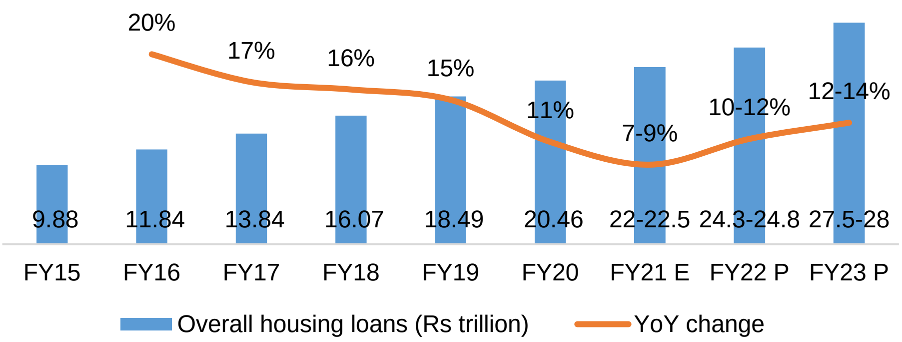
In the past, demand for home loans rose on account of increasing demand from tier-II and -III cities, rising disposable incomes, and government steps, such as interest rate subvention schemes and fiscal incentives.

Credit growth to recover in fiscal 2022

Total home loans outstanding in the country was ~Rs 20.4 trillion as of fiscal 2020, more than double the figure five years ago; this effectively translated into home loans outstanding logging a healthy 16% CAGR over fiscals 2015 to 2020. However, in fiscal 2021, the pace slowed, led by a decline in credit growth across HFCs following the Covid-19 outbreak. During the year, home loans outstanding (banks and non-banks) is estimated to have grown 7-9% on-year.

Overall credit of housing loans in India is expected to grow 10-12% on-year in fiscal 2022 and 12-14% in fiscal 2023.

Housing loans credit growth slowed down in fiscal 2021, to rebound in fiscal 2022

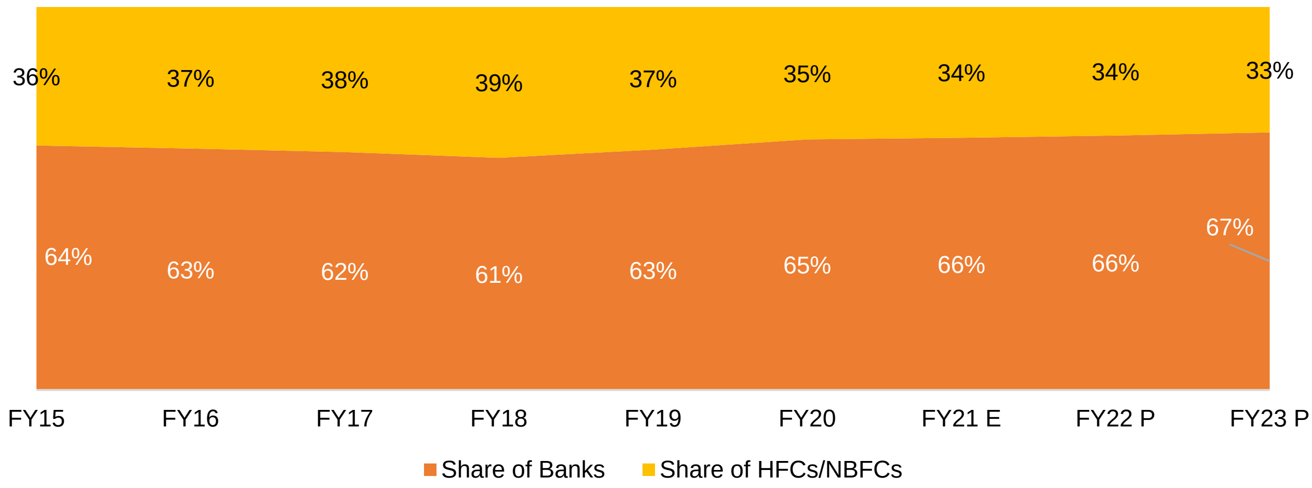


E: Estimated; P: Projected
Source: Company reports, RBI, CRISIL Research

Historically low interest rates and adequate liquidity supporting growth of banks

Over fiscals 2015 to 2018, HFCs' share in home loans outstanding increased. However, starting fiscal 2019, the trend reversed, with banks growing faster than HFCs owing to the NBFC crisis and liquidity issues. Now, with competitive rates, banks are expected to continue to grow faster than HFCs/NBFCs, thereby gaining further market share.

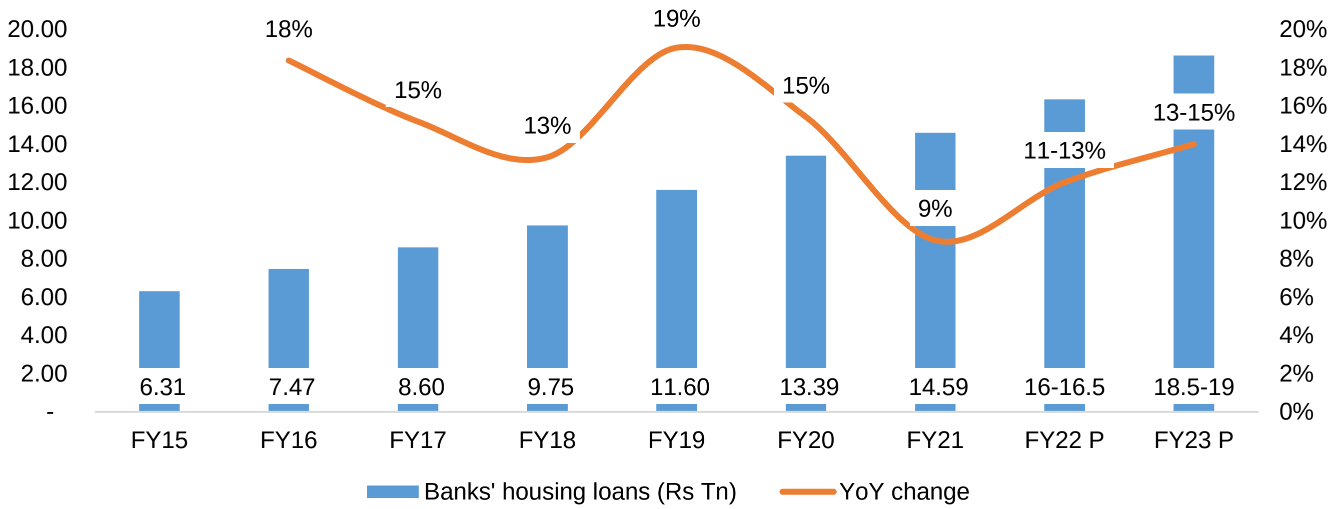
Share of banks in housing loans to improve further in fiscal 2022



E: Estimated; P: Projected
Source: Company reports, RBI, CRISIL Research

Indeed, banks have intensified their focus on the traditional home loan space, owing to subdued demand and asset quality pressures in the corporate/real estate sector. Banks' credit outstanding of housing loans grew 9% on-year in fiscal 2021, with much of the growth attributed to revival in the fourth quarter of fiscal 2021. Banks gained in fiscal 2021 because of their competitive advantage of higher liquidity compared with HFCs/NBFCs, and, thus, many were able to offer home loans starting from 6.9%. This advantage is expected to continue in fiscals 2022 and 2023, leading to banks continuing to gain market share in the housing loans market over the period. Credit growth of housing loans at banks is expected to rise 11-13% on-year in fiscal 2022 and 13-15% in fiscal 2023.

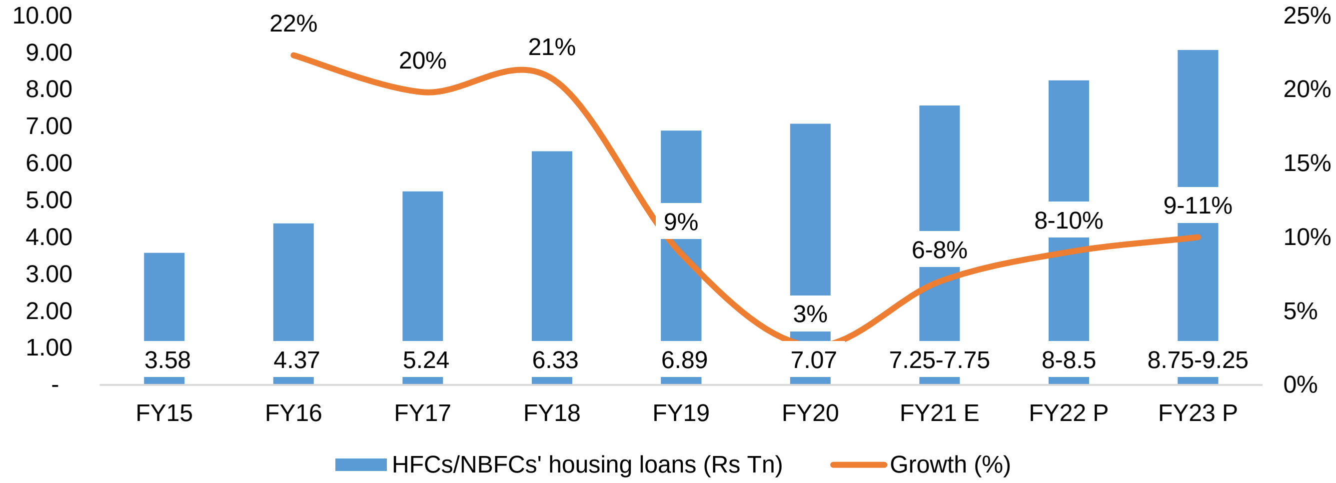
Housing loans outstanding of banks to grow at healthy pace up to fiscal 2023



P: Projected
Source: Company reports, RBI, CRISIL Research

In the case of HFCs/NBFCs, credit growth of housing loans is expected to rise to a slower 8-10% on-year in fiscal 2022 and 9-11% in fiscal 2023. The expected rise in credit growth is due to increase focus by lenders who consider retail loans to be less risky along with demand side support.

Housing loans outstanding at HFCs/NBFCs to grow by 8-10% in fiscal 2022



E: Estimated; P: Projected
Source: Company reports, CRISIL Research

Few large HFCs contributed much of the growth in fiscal 2021, trend is expected to continue in fiscal 2022

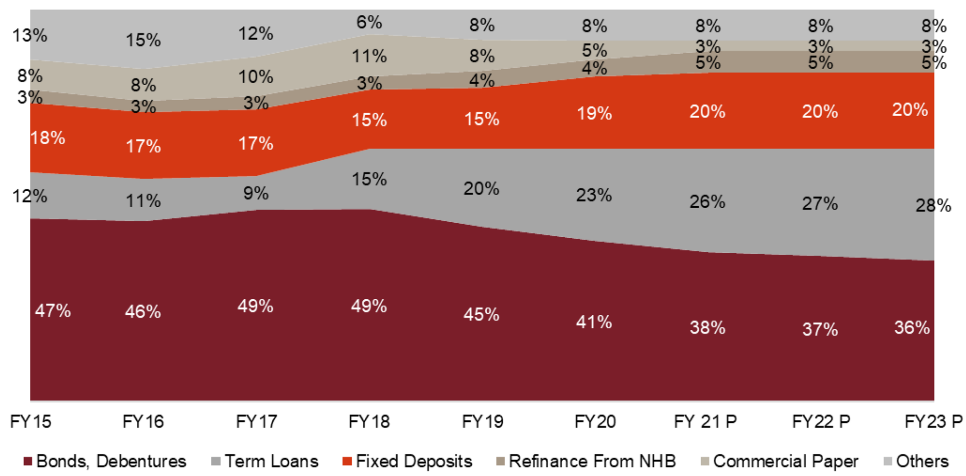
With low disbursements and low repayments in the first half of fiscal 2021, growth of housing loans outstanding of HFCs/NBFCs was low at 1-3% on-year as on September 2020 vs March 2020. Sharp revival in the economy enabled a subsequent increase in disbursements to all-time highs in the third and fourth quarters of fiscal 2021, with the disbursements reaching over 100% in the fourth quarter (compared to FY20 quarterly averages).

Term loans to gain share in borrowing mix of HFCs/NBFCs

During the first half of fiscal 2019, market rates had increased sharply, as indicated by the benchmark rates on commercial paper (CPs) and non-convertible debentures (NCDs). These rates rose 140 bps and 120 bps, respectively, during April-October 2018. Additionally, risk in the NBFC sector increased post the IL&FS default, which further restricted the NBFCs' easy access to market borrowings. But not all players were equally affected during this period. While players with high asset-liability mismatch and higher share of non-retail portfolio found it difficult to raise funds, players with strong parent company support and relatively higher proportion of retail assets were able to raise funds from the market.

However, over time and with aggressive repo rate cuts by the RBI, the benchmark CP and NCD rates have softened. Despite a reversal in the interest rate cycle, risk perception remains elevated in the market for players with a high share of non-retail portfolio and players without a strong parent company support. Hence, CRISIL believes the proportion of bank borrowings is expected to remain high over the medium term.

Share of bank borrowings rose over the past four years



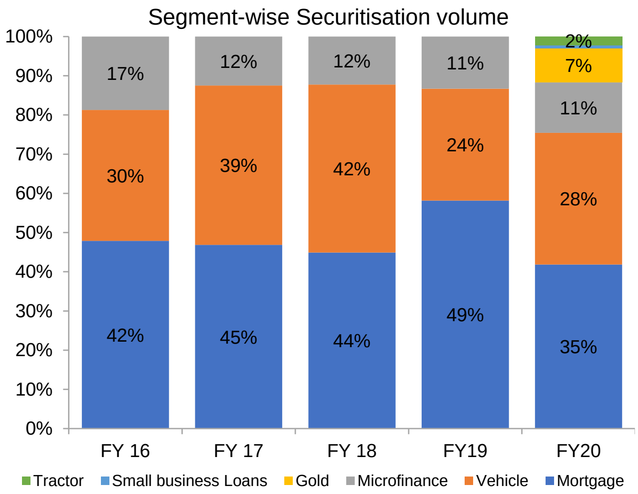
P: Projected
Source: Company reports, CRISIL Research

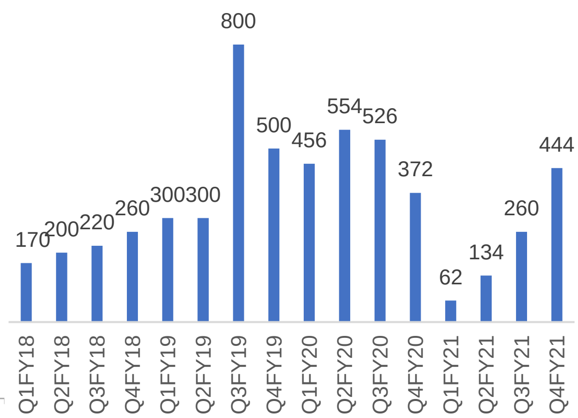
Securitisation

Securitisation surged in the fourth quarter of fiscal 2021, but still below pre-Covid level. The securitisation market had started to open up with the easing of containment restrictions in fiscal 2021, resumption of commercial activity and the end of the moratorium in August 2020. Deals in the second half of the fiscal accounted for nearly three-fourths of the annual volume. As business activity picked up and borrowers resumed repayments, investors drew comfort from rising collection efficiency in securitised pools. NBFCs too turned to securitisation to raise funds as they resumed disbursements. That said, securitisation volume closed below the psychological Rs 1 trillion mark in the previous fiscal, down from ~Rs 1.9 lakh crore in each of the two fiscals preceding.

The securitisation volume could be impacted in the near term by rising Covid-19 cases and lockdown restrictions. Many NBFCs may be compelled to refocus on collections, and fresh disbursements could take a backseat. Containment measures, including a temporary suspension of movement (local and regional) and business activities, could inhibit borrower cash flows. If these impact collection efficiencies, they may again deflate returning investor confidence and securitisation volume.

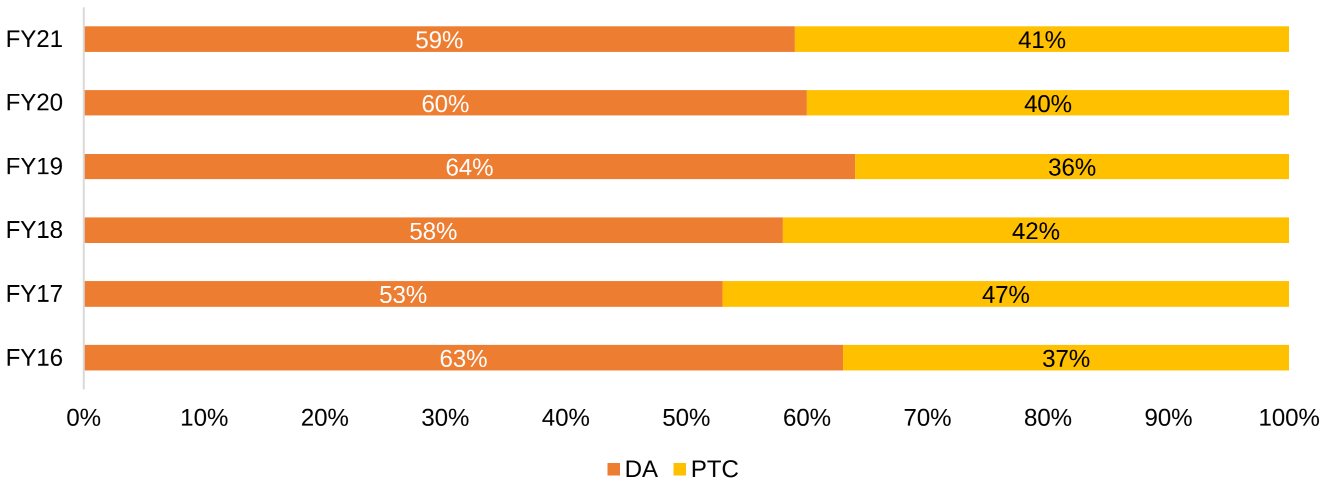
Non-banks increasing dependence on securitization





Direct assignment (DA) transactions dominate issuances, with as much as 59% of the volume securitised via the route in fiscal 2021. Within DAs, issuances supported by the government-sponsored Partial Credit Guarantee Scheme accounted for 5% share of the transactions. The remaining 41% share comprises securitisation through the pass-through certificate (PTC) route.

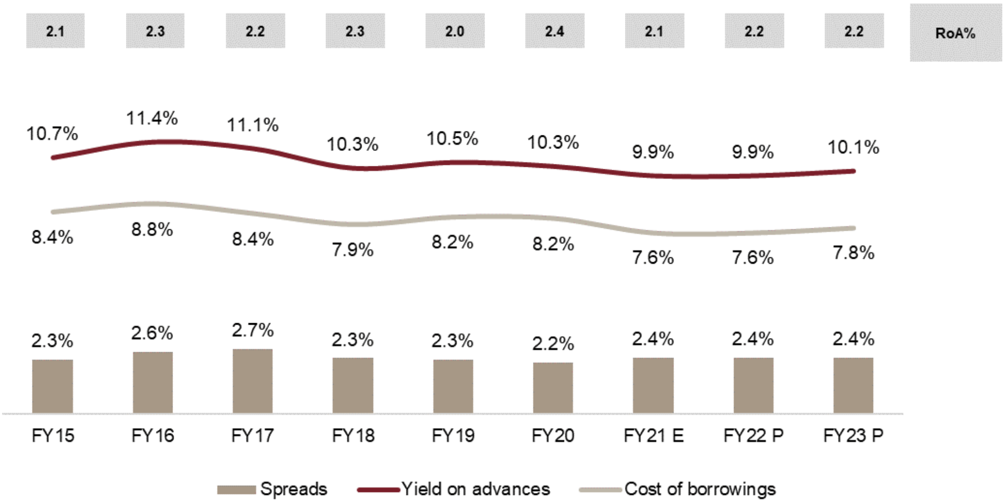
DA-PTC split of retail securitisation



Spreads improved in fiscal 2021 owing to lower costs

Due to relatively high disbursements in the second half of fiscal 2021 at lower home loan rates, yield on advances for the year declined 40 bps. Meanwhile, cost of borrowings declined ~60 bps, resulting in ~20 bps improvement in spreads. However, with higher credit costs (higher provisioning), return on asset (RoA) likely declined ~30 bps in fiscal 2021. The second wave of Covid-19 has once again impacted the economy, and, thus, the RBI is not expected to raise repo rates, at least in the first half of fiscal 2022. HFCs are also expected to pass on this benefit, which is, therefore, likely to result in stable yield on advances and cost of borrowings, and, thereby, spreads. However, lower credit costs are expected to improve the RoA in fiscals 2022 and 2023.

Spreads increased 20-30 bps in fiscal 2021



E: Estimated; P: Projected; Source: Company reports, CRISIL Research

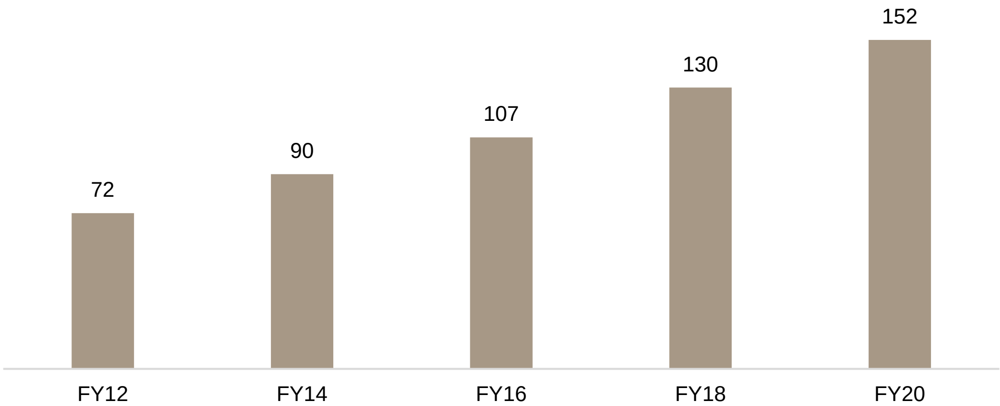
Long-term growth drivers

Although the housing finance sector witnessed limited growth in fiscal 2021 owing to the pandemic, the long-term prospects look encouraging as the economy's fundamental growth drivers are robust.

Affordability led by disposable income:

India's per capita GDP grew at a healthy rate during fiscals 2016 to 2020, to Rs 152,000 (base year fiscal 2012). In fiscal 2021, private consumption contributes to ~60% of GDP.

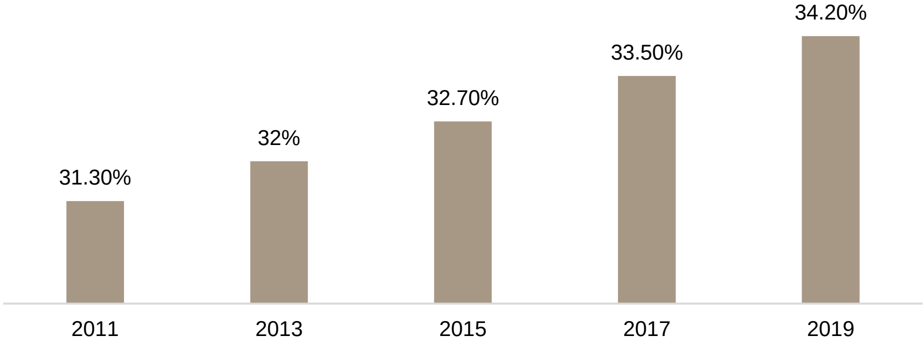
GDP per capita (Rs '000)



Source: MOSPI, CRISIL Research

Rapid urbanisation to boost housing demand:

Progress of urbanization level in India



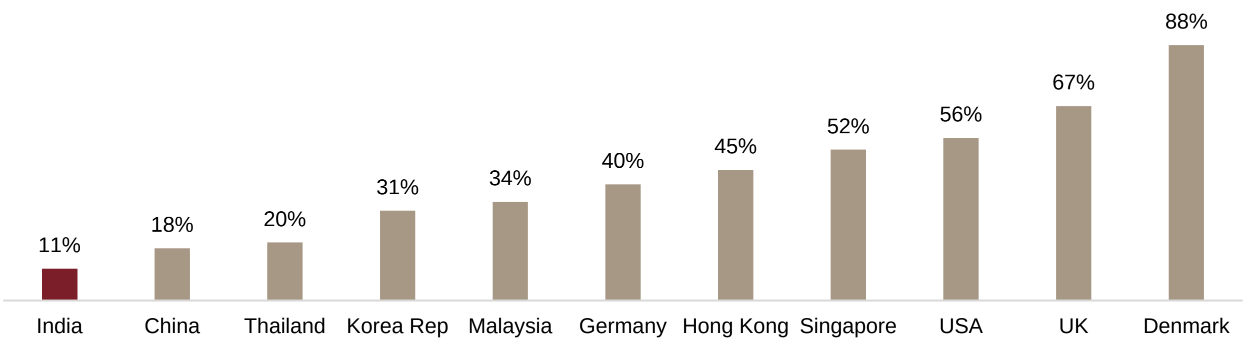
Source: MOSPI, CRISIL Research

India faces a huge shortage of houses, especially in urban areas. The situation is expected to exacerbate as people continue to move from rural areas to cities for better job opportunities, education, avail better lifestyle, etc. This will drive the demand for housing. To be sure, the share of urban population has risen steadily, from 31% in 2011 to ~34% in 2019. CRISIL Research expects urbanisation to accelerate, logging 2.0-2.5% CAGR over fiscals 2019 to 2022, which is higher than the overall population growth of 1.2% during the period.

Urbanisation has a twin impact on housing demand – it increases the number of nuclear families, leading to the formation of more urban households, and reduces the area requirement per household.

Opportunity of further mortgage penetration:

Mortgage penetration in various economies of the world



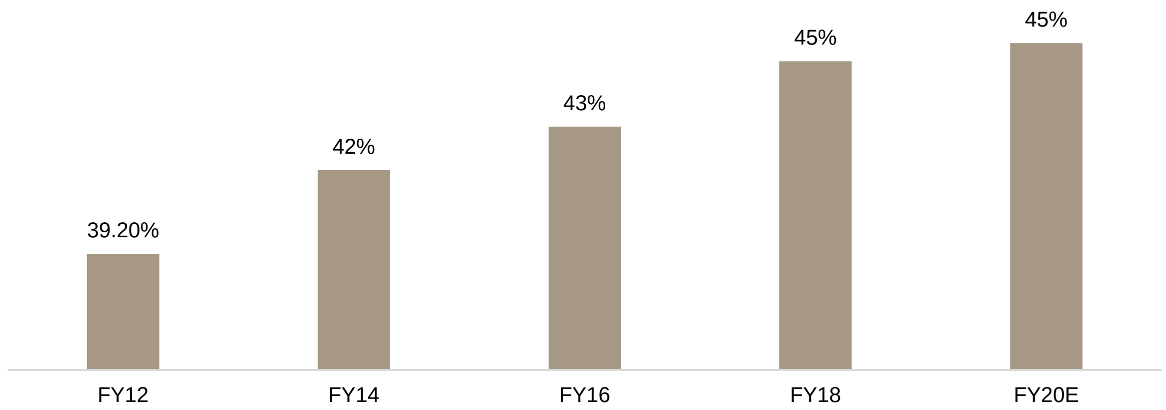
Note: India data is for FY19, Rest of the markets for CY15
Source: United Nations Department of Economic and Social affairs, IMF, European Mortgage Federation, CRISIL Research

Though still lower than other developing countries, India's mortgage-to-GDP ratio rose to 10-12% in fiscal 2019 from 7.4% in fiscal 2010. They key contributors to the increase are rising incomes, better affordability, growing urbanisation and nuclearisation of families, emergence of tier 2 and 3 cities, ease of financing, tax incentives, and widening reach of financiers.

Rise in finance penetration:

Finance penetration in India

Source: Company reports, MOSPI, CRISIL Research



Deepening penetration of finance is also expected to support growth of the industry. Rising demand for housing in tier 2 and 3 cities, and a subsequent surge in construction have increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to 44-45% in 2019 from 39% in 2012. Boosted by low-cost housing and rising competition in big-ticket loans, we expect finance penetration in urban areas to have marginally increased to 45% in fiscal 2020. Rural areas are also likely to witness considerable improvement in finance coverage thanks to the government's efforts to provide housing for all. However, operational challenges such as timely collection of payments, smaller ticket size and higher delinquencies than the urban markets will continue to oppose rural expansion.

Digitization

While the US leads the market in terms of the number of fintech start-ups, India spearheads in fintech adoption (fintech adoption rate is the share of fintech users in digitally active population). While the global average rate of adoption stands at ~64%, India stands at 87%, leading the market. Within this space, digital payments has progressed considerably in India while the lending space is still evolving. The demonetisation in November 2016 followed by COVID-19 have been the key drivers of exponential growth in digital transactions.

The new-age technology-driven alternate lenders use artificial intelligence (AI) and machine learning (ML) techniques to improve customer experience and compete with the traditional lending value chain. Technological advantages help incorporate alternate data for credit underwriting and adopt sophisticated risk management solutions reducing costs and improved operational efficiency. Covid-19 is an inflection point for a surge in contact-less and paper-less lending and has tracked digital transformation in the lending industry, similar to how demonetisation catapulted digital payments in India. The number of transactions through digital channels more than doubled in last three years.

Over the past few months, there has been a spurt in digital lending, resulting in some noteworthy investments in automation, online applications and borrower portals to keep up with radical changes in digital disruption and addition of new digital tools to track and optimise customer acquisition. In recent times, many financial institutions have started and/or expanded the digital offerings like:

- Customer account opening through complete online mode with instant activation and minimal turnaround time, digital verification of documents, faster disbursal processes
- Due to Covid-19, few banks started e-KYC or video-KYC (Know Your Customer) processes for minimal interactions
- Few financial institutions use alternative data (like social media activity, utility payments, rent payments, salary info, past transaction info) to gauge customer profile and offer products to under-served population or customers with minimal credit profile

With rapid growth in internet access and digitally active customers, digital lending is expected to evolve to a priority for many financial institutions enabling them to reduce operating costs and also cater to more customers in coming years.

Risks and Challenges

Challenges to credit growth over next few quarters: The pandemic has pushed the Indian economy off the cliff, and along with it big-ticket spending such as home buying. With the economy going through one of the most difficult times, spending on high-ticket assets such as real estate has been adversely impacted. New bookings are estimated to have declined by 10-20% in fiscal 2021 and capital values were under pressure. As employment generation and income growth face headwinds, people postponed their decisions of buying a house.

Over the past 4-5 years, the government's spending on Pradhan Mantri Awas Yojana gave a fillip to affordable housing. However, in fiscal 2022, with constrained fiscal position and higher spend on healthcare, incremental spend on housing schemes by central and state governments will remain a monitorable.

Competition from banks: One of the biggest risks to low-cost housing players is the threat from banks as the latter have details of borrowers' banking behaviour and their repayment history. Banks can approach these regular customers by offering them lower interest rates (than HFCs) and zero processing fee. In doing so, banks will save their operating costs and get good quality customers. HFCs need to be shrewd enough to stop this to enjoy long-term cash flows.

HFCs catering to low-ticket housing segment have a funding disadvantage: As far as cost of funds is concerned, most small HFCs are disadvantaged as opposed to large banks and large HFCs. This is due to the mix of funding (mid-size and small HFCs are more bank-funded) and higher costs (as credit ratings are lower). However, securitisation and NHB could help to a certain extent.

Delay in project approvals and construction: HFCs' cash flows are largely dependent on the timely completion of projects in which their customers have bought houses. If the project gets delayed, the borrower may start defaulting on loans. Additionally, project delays also impact loan book growth.

Collateral frauds: Collateral frauds in the sector have been increasing. As a result, lending institutions have been forced to implement additional control measures, which has increased their underwriting expenses.

Lack of proper title: Lack of proper title can be a risk, especially on the outskirts of large cities, in semi-urban areas and rural regions. With better availability of information and proper due diligence by their technical team, HFCs are trying hard to mitigate this risk.

Liquidity risk: The apartment culture has still not developed in many semi-urban and rural areas, leading to financing of individual properties. It is harder to sell a property that is built according to the needs of an individual and this is a challenge for the financiers. Also, in rural areas, it may become difficult to find a buyer for a repossessed property due to cultural issues. All this leads to the liquidity risk.

Insufficiency of data for credit appraisal: Credit-score availability in India is still at a nascent stage despite the presence of credit bureaus. In several cases, borrowers lack a formal proof of income documents. This makes it difficult to judge the ability of the borrower to repay.

Government support, regulations pertaining to housing

Recent announcements

Announcements	Impact
Resolution Framework for COVID-19 stress also known as One-Time Restructuring (OTR) (August 2020 and May 2021) RBI announced to permit a one-time restructuring of loans Scheme was announced again in May 2021 (OTR 2.0) to support customers who are undergoing financial stress due to Covid-19 second wave	On borrowers ↑ While 0.5-1% of the outstanding home loans are estimated to have undergone OTR 1.0, the number in OTR 2.0 is expected to be marginally higher On lenders ↑ Restructuring of loans helped shield the NPAs spike at HFCs/NBFCs and is expected to help in OTR 2.0 as well
Risk-weighted assets (October 2020) RBI has decided to rationalize the risk weights and link them to LTV ratios only for all new housing loans sanctioned up to March 31, 2022	Housing loans above Rs 75 Lakh will benefit the most as risk weights for these loans will reduce from 50% to 35%. Lenders may use this benefit to in the form of lower cost of lending to mid and high ticket properties
Moratorium on loan repayments (March, April 2020) All lending institutions are permitted to allow a moratorium of 3 months (extended by another 3 months) on repayment of installments for term loans outstanding and payment of interest on working capital facilities as on March 1, 2020 Deferred payments are mandated not to translate into asset classification downgrades; credit history will also be unchanged	On borrowers ↑ Moratorium was a relief for customer profiles, whose incomes were affected in first 2 quarters, enabling them to avoid EMI payments ↓ However, the interest accumulates over the period On lenders ↓ Longer moratoriums affect the collections, thereby liquidity of the NBFCs/HFCs who are already facing liquidity crunch

Announcements	Impact
Partial Credit Guarantee - PCG (December 2019) Government modified the Partial Credit Guarantee (PCG) scheme to include HFCs and NBFCs rated up to BBB+	On lenders ↑ Previously, scheme was eligible only to players rated AAA or above. However, these players faced no difficulties in raising funds. Inclusion of BBB+ or above will help other mid-rated players.

Source: RBI, Government of India, CRISIL Research

Pradhan Mantri Awas Yojana (PMAY)

The 'Housing for All by 2022' scheme (launched in June 2015) aims to construct more than 20 million houses across India by 2022. The scheme's target beneficiaries would be the poor, economically weaker sections (EWS), and low income groups (LIG) in urban areas.

Four components of the scheme:

1. Slum redevelopment
   - Land as a resource with private participation
   - Extra floor space index (FSI)/ floor area ratio (FAR) and transfer of development rights (TDR), if required
   - Grant of Rs 1 lakh per house provided by the central government
   - Developers to benefit from "free sale component"
2. Affordable housing in partnership
   - With private sector or public sector agencies
   - Central assistance of Rs 1.5 lakh per EWS category house in projects where the project has at least 250 houses and 35% houses are for EWS category
3. Affordable housing through credit-linked subsidy
4. Subsidy for beneficiary-led housing
   - For individuals of EWS category, for own house construction or enhancement
   - Central assistance of Rs. 1.5 lakh per beneficiary

PMAY progress status

PMAY (Urban) – Progress (as of April 5, 2021)	**Value**	**PMAY (Gramin) –Progress (as of May 31, 2021)**	**Value**
Houses sanctioned	112.52 lakh	Houses registered	198.77 lakh
Houses grounded	80.2 lakh	Sanctioned with verified accounts	190.47 lakh
Houses completed	48.02 lakh	Houses completed	141.09 lakh
Central assistance committed	Rs 1.81 lakh crore	Allocation of funds	Rs 3.19 lakh crore
Central assistance released	Rs 95,777 crore	Fund releases	Rs 1.84 lakh crore
Investment in projects	Rs 7.35 lakh crore	Total available funds	Rs 2.52 lakh crore

Source: Websites of Ministry of Housing and Urban Affairs and PMAY (Gramin), Government of India

Credit-linked subsidy scheme (CLSS)

Under the 'Housing for All' mission, the central government implemented CLSS as a demand-side intervention to expand institutional credit flow to the housing needs of people residing in urban regions

Under the mission, affordable housing through CLSS will be implemented through banks/financial institutions

Credit linked subsidy is provided on home loans taken by eligible urban population for acquisition and construction of houses Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) were identified as central nodal agencies to channelise this subsidy to lending institutions and monitor progress of this component

CLSS revised guidelines

Category	Annual household income (Rs)	Loan amount (Rs)	Interest subsidy	Size of proposed house (carpet area, sq m)
EWS	< 3 lakh	6 lakh	6.50%	30
LIG	3-6 lakh	6 lakh	6.50%	60
MIG 1	6-12 lakh	9 lakh	4%	160
MIG 2	12-18 lakh	12 lakh	3%	200

Source: PMAY website, CRISIL Research

- For all income slabs, any additional loan taken by the beneficiary up to a maximum tenure of 20 years will be at non-subsidised rates
- The interest subsidy amount will not be the differential of interest amount (of actual and subsided rate) but will be the net present value (NPV) of the interest subsidy amount
    - It is to be calculated at a discount rate of 9%
    - Assuming that a person has an income of up to Rs 18 lakh, maximum subsidised loan amount of Rs 12 lakh; market interest rate: 9%; tenure: 20 years; EMI to be paid is Rs 10,796
    - At 6% interest rate (i.e, 3% subsidy) on Rs 12 lakh loan amount, EMI to be paid: Rs 8,597
    - NPV (9% interest rate) of the difference in the above EMIs amounts to Rs 2.4 lakh. This amount gets deducted from the principal and the reduced loan amount is then amortised at 9% interest rate. Eventually the EMI reduces by ~Rs 2,200 for the above case.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The purpose of AMRUT is to provide basic services (e.g., water supply, sewerage, urban transport) to households, build amenities in cities, and to improve the quality of life for all, especially the poor and the disadvantaged.

Key components of the mission

- Access to a tap with assured supply of water for every household
- Assured sewerage connection per household
- Better amenities in cities by developing greenery and well-maintained open spaces (e.g., parks)
- Lower pollution by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling)

AMRUT Status as of May 31, 2021

Parameter	Projects	Value in Rs Crore
Work completed	3,530	18,773
Awarded	2,195	60,942
NITs issued	102	1,033
DPRs approved	79	842
Total state annual action plans		77,640

Source: Website of AMRUT, CRISIL Research

Real Estate Regulation and Development Act (RERA)

RERA is formed to result in improved transparency, timely delivery, and organised operations

The Act does not permit developers to launch new projects before registering them with the authority. This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft/pre-launch activities

RERA is also expected to put an end to fund diversion

With effective implementation of RERA, developers will have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule. This will enable prospective buyers to make informed decisions.

Impact of RERA on different stakeholders

Developers	• Mode of land agreement may change (JDA vis-à-vis land ownership) • Shift from practices followed previously (soft-launch/pre-launch activities) • Industry to witness consolidation in medium term
Regulators	• State level authority to monitor on-going projects • To act as dispute resolution authority – likely to reduce resolution time
Bankers	• Banks have also sought additional collateral from developers in recent times • Lending to RERA registered projects only • Improved information availability will strengthen due-diligence process • Shift in lending terms on account of 70% escrow clause
Consumers	• Effective implementation of RERA will improve transparency and timely delivery • Likely to support end user demand for under construction projects

Source: CRISIL Research

Initiatives by regulators to support affordable housing finance

NHB's revised guidelines announced in June 2019 have made the following key amendments:

- Minimum Tier 1 capital adequacy to be maintained by HFCs has been increased from 6% to 10% by March 2022.
- Overall capital adequacy ratio requirement has been increased from 12% to 15% in a graded manner, by March 2022.
- Maximum leverage that HFCs can take up has been reduced to 12 times from 16 times over three years, by March 2022.
- Ceiling on deposits that HFCs can mobilise has been lowered to three times of net-owned funds from five times

NHB's revision of interest spread cap for the Rural Housing Fund (RHF)

- NHB has been allocated a sum of Rs 6,000 crore under RHF for fiscal 2018 and Rs 3,000 crore under Urban Housing Fund (UHF)
- The NHB revised interest rate and on-lending cap under the RHF this fiscal
- CRISIL Research believes the on-lending cap of 3.5% is better than the previous 2% cap that made financing unattractive, because of higher operating cost incurred to serve rural areas. The new norms for lending under RHF and UHF are given below:

Revised interest rates and on-lending caps

Fund	Primary lending institutions	Interest rate (per annum)	On lending (per annum)
Rural housing fund	Housing finance companies, regional rural banks	4.86%	8.36%
	Scheduled commercial banks	4.86%	MCLR+1%
Urban housing fund	Housing finance companies, regional rural banks	4.86%	8.36%
	Scheduled commercial banks	4.86%	MCLR+1%

Source: NHB, CRISIL Research

Rationalization of risk weights for individual housing loans to improve sentiment towards real estate sector
Till now, risk weightages were assigned on the basis of ticket size and loan to value (LTV) ratio as shown. However, for all new housing loans sanctioned up to March 31, 2022, risk weightages will be assigned only on the basis of LTV, according to announcement by RBI in October 2020. While these risk weights will be applicable to all ticket sizes, housing loans above Rs 75 Lakh will benefit the most as risk weights for these loans will reduce from 50% to 35%.

Regulations pertaining to risk weights for housing loan by HFCs

	2017-Oct 2020		Oct 2020-Mar 2022	
Outstanding loan	**LTV ratio (%)**	**Risk Weight (%)**	**LTV ratio (%)**	**Risk Weight (%)**
< Rs 30 lakh	< 80	35	< 80	35
	80-90	50		
Rs 30 - 75 lakh	< 80	35	80-90	50
> Rs 75 lakh	< 75	50		

Source: RBI, Industry, CRISIL Research

As per CRISIL Research estimates, rationalization of risk weights on housing loans likely benefited credit growth on the back of lower capital adequacy requirement (due to new lower risk weights). Despite challenging time on demand front- especially on high ticket properties, lenders may use this benefit to in the form of lower cost of lending to mid and high ticket properties.

Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects (SWAMIH) Fund

The Ministry of Finance (MoF) on September 14, 2019, announced a number of steps to revive the real estate sector and boost economic growth:

- An alternative investment fund (AIF) of Rs 25,000 crore to provide last mile funding for stalled affordable and mid-level projects. Investments to be primarily structured in the form of non-convertible debentures.
- Rs 10,000 crore to be contributed by the Government of India, and the remaining Rs 15,000 crore to be contributed by State Bank of India, Life Insurance Corporation and others.

The objective of the scheme is to support last-mile construction of stalled units and ensure delivery to the home buyers. However, CRISIL Research believes the stress associated with the industry will continue pending quick and meaningful demand-side revival. While the AIF funding may suffice to ensure construction of significant number of stalled projects, it may not be sufficient to reduce the stress due to weak demand and hence demand incentives will remain a monitorable.

Status of SWAMIH Fund (as on 13th May 2021)

Parameters	No of projects	No of Dwelling Units	Funding Sanctioned/ Funded Rs Bn
Delivered	1	640	1
Granted Final Approval	72	44,115	70
Granted Preliminary Approval	132	72,457	116
Progress as of May 2021	204	116,572	186

Source: Ministry of Finance, CRISIL Research

MSME

Pick-up in economic activity with favourable government measures supported MSMEs in fiscal 2021

A faster-than-expected revival in economic activity on the back of the festive season and pent-up demand instilled a slight positive economic outlook in the third quarter of fiscal 2021. Outstanding MSME book of non-bank companies is expected to have grown 0-2% on-year in the fiscal given increased demand for loan against property (LAP). Borrowers preferred LAP because of lower interest rates, lower EMIs and higher tenure loans, which lowered their financial burden. Lenders, on the other hand, preferred security-based lending in the era of uncertain cash flows and, therefore, disbursements in unsecured lending were restricted given higher risks of default in these challenging times.

Amid a massive surge in Covid-19 cases since April 2021, several states including Maharashtra, Uttar Pradesh, Bihar, Chhattisgarh, Tamil Nadu, West Bengal, Karnataka and Assam have decided to extend the lockdown or impose fresh restrictions to contain the spread. The raging second wave has reduced economic activity and demand, impacting business, operations and collections.

However, we expect a gradual improvement in demand amid expectations of economic growth reviving financing to MSMEs in the last nine months of fiscal 2022. CRISIL Research expects the outstanding book of NBFCs in the MSME segment to clock a CAGR of 6-7% in fiscals 2022 and 2023. Since the economy is expected to be back on track by the second half of fiscal 2022, unsecured loans should gain traction and witness relatively higher growth rates. However, non-banks will be wary of funding given the existing stress and, thus, will likely witness moderate growth rates.

NPAs and restructuring of non-banks' MSME portfolio remain monitorables

Non-banks' MSME collection efficiency increased from ~40% in April 2020 to 55-65% four months later. As economic activity gathered steam in the third quarter of fiscal 2021 and business cash flows improved, borrowers started paying their loan instalments. While a few major SMEs reported improvement in NPA levels in March 2021 vis-a-vis December 2020, a few players reported collection efficiency of 85-90%. CRISIL-rated SME pools witnessed a collection efficiency of ~95% in January 2021 versus 38% in July 2020.

To combat the impact of the second wave, which has exacerbated MSMEs' operational stress, the RBI introduced a few measures on May 5. Few of these are listed below:

Measures	Impact	Remarks
Incentivising Covid-related lending to ease access to emergency health services **On-tap liquidity window to create additional funding of Rs 50,000 crore (with tenors up to three years) at the repo rate** **Classification under priority sector lending (PSL)**		Parking excess liquidity equivalent to Covid loan book at 40 bps higher than the reverse repo rate to generate 3-5 bps higher profits for banks MSMEs in emergency health services will get more liquidity under the scheme
Traction of Restructuring 2.0 is a monitorable **Resolution Framework 2.0 for Covid-related stressed assets of individuals, small businesses and MSMEs**		MSMEs are under operational pressure. Resolution 2.0 will provide a breather However, looking at lower utilisation of the Restructuring 1.0 scheme based on reported numbers, the traction of Restructuring 2.0 remains a monitorable
Non-maintenance of cash reserve ratio (CRR) for lending to MSMEs		To incentivise credit flow to MSME borrowers, banks were allowed to deduct credit disbursed to new MSME borrowers from their net demand and time liabilities (NDTL) for calculation of the CRR. In order to further incentivise inclusion of unbanked MSMEs into the banking system, this exemption available for credit disbursed up to the fortnight ending October 1, 2021 has been extended till December 31, 2021

Source: RBI, CRISIL Research

GDP growth is expected to print better in fiscals 2022 and 2023, supported by a weak base and as the global economy fares better and boosts India's exports.

CRISIL Research expects the MSME credit growth to be 7-8% in fiscal 2022. Non-banks are expected to grow at a lower pace of 6-7% (because of continued risk aversion) than banks' growth rate of 7-9% in fiscal 2022, thus losing their market share to banks by ~200 bps by fiscal 2022.

Loan against property

Amid Covid-19, non-banks prefer mortgage-based lending over cash flow-based lending in the short run given the potential risks in the unsecured segment.

In fiscal 2021, non-banks are expected to have grown 3-4% on-year in the LAP credit segment. One of the major non-bank players in the SME segment has started a new credit segment under LAP after witnessing increased demand from customers, highlighting increased traction in the LAP credit segment.

As mentioned earlier, non-bank lenders have turned more cautious towards MSME lending after the pandemic and are now preferring mortgage-based lending (LAP and non-LAP secured) to cash flow-based (unsecured) lending. Also, for borrowers, since the average tenure of the unsecured loans is lower (3-5 years) and rate of interest is higher, EMI under unsecured loan is more than twice the EMI of a similar LAP loan amount. Therefore, during such challenging times, borrowers prefer property-based loans.

CRISIL Research expects the non-banks' LAP loan book to increase at a CAGR 5-6% in fiscals 2022 and 2023. Though growth is better, it will still be lower than historical growth as players are likely to be risk averse in this segment. We expect non-banks' aggregate LAP market to reach Rs 2.7-2.8 trillion by fiscal 2023 from Rs 2.5 trillion in fiscal 2021.

With 3-5% of the portfolio getting restructured, GNPA is expected to be 4.7% at the end of fiscal 2021 as against 4.4% in fiscal 2020. Restructured accounts in fiscals 2021 and 2022 will have to be closely monitored for slippage in the coming years. Slippage of 15-20% of the restructured portfolio would increase GNPA by 150-200 bps to 6-6.5% by fiscal 2022. Therefore, the slippage ratio would be a key monitorable next fiscal. The ratio might change based on the pick-up in economic activities and, in turn, demand. If demand remains weak, the ratio might be higher in fiscals 2022 and 2023.

Net interest margins (NIM) are expected to have increased in fiscal 2021 on account of declining interest rates, which were not passed on completely to the borrowers because of increasing asset quality concerns. Players (especially large) front-loaded provisions along with additional statutory provisions to be made for restructuring book, leading to increase in credit costs by 80-100 bps this fiscal. However, increase in NIMs will partially offset increase in credit cost and, thus, RoA is expected to range 0.6-0.8% in fiscal 2021.

In fiscal 2022, NIMs are expected to decline as interest rates are expected to bottom out and gradually rise. RoA is expected to continue in the range of 0.6-0.8%, given the decline in NIMs and increased credit cost (resulting from slippage of the restructured book).

MSME: Non-LAP secured loans

According to industry sources, due to the pandemic-caused prevailing uncertainty, non-bank lenders prefer secured products to unsecured ones in the near term as cash flows of borrowers have been significantly impacted. Decline in secured non-LAP in fiscal 2021 is estimated to be lesser than that of unsecured book because of conservative approach of the lenders.

CRISIL Research expects non-banks' non-LAP secured MSME books to have de-grown 1-2% in fiscal 2021 and projected to grow at CAGR 6-7% in fiscals 2022 and 2023.

MSME: unsecured loans

To reiterate, non-bank lenders have turned more cautious towards MSME lending after the pandemic and are now preferring mortgage-based lending (LAP and non-LAP secured) to cash flow-based (unsecured) lending. As per industry interactions, non-banks are allowing restructuring for those cases wherein the viability and sustainability of the cash flows can be established. Non-banks are selectively disbursing loans under ECLGS in this segment, weighing thin margins at one end (because of the interest cap) and high potential risks at the other. Also, players might go for write-offs for unsecured loans where performance of the borrower is very poor and future cash flows are uncertain.

CRISIL Research estimates unsecured loans to have declined 3-4% in fiscal 2021. However, with the pick-up in economic activity, non-banks will gradually move to cash flow-based lending again. Therefore, unsecured loans' credit growth is expected to range 9-11% in fiscals 2022 and 2023.

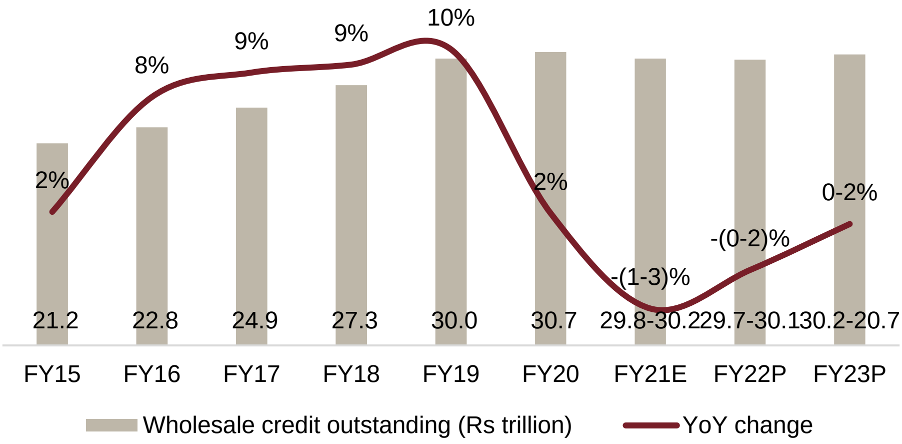
Wholesale Finance

Stress in the real estate sector continues to affect growth in wholesale segment

Wholesale finance represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses long- and short-term funding. CRISIL Research excludes lease rental discounting (LRD) from the wholesale book and lending to the infrastructure sector and covered only loans offered to large corporates in non-infrastructure segments.

Economic slowdown in fiscal 2021 led to negative growth in wholesale book

Wholesale credit outstanding is expected to decline 0-2% in fiscal 2022



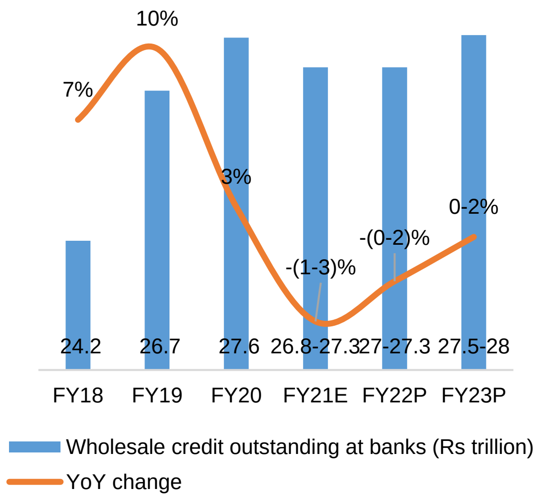
Source: RBI, company reports, CRISIL Research

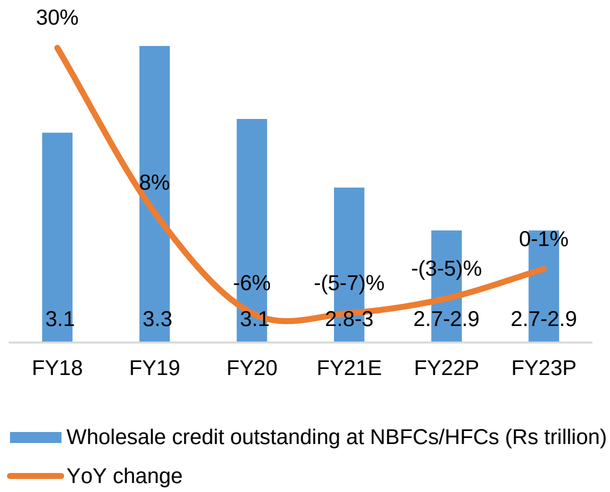
IL&FS' default in September 2018 led lenders to take a cautious approach to a few segments such as wholesale finance. While growth slowed down in fiscal 2020 due to the partial economic slowdown, Covid-19 worsened the segment's performance in fiscal 2021.

Wholesale finance book (banks and non-banks) is estimated at ~Rs 30 trillion as of March 2021, a decline of ~(1-3)% from fiscal 2020.

NBFCs to witness sharp decline in wholesale book compared with banks in coming years

Wholesale credit outstanding of banks is expected to decline 0-2%, while that of NBFCs is estimated to fall 3-5% in fiscal 2022.





Source: RBI, company reports, CRISIL Research

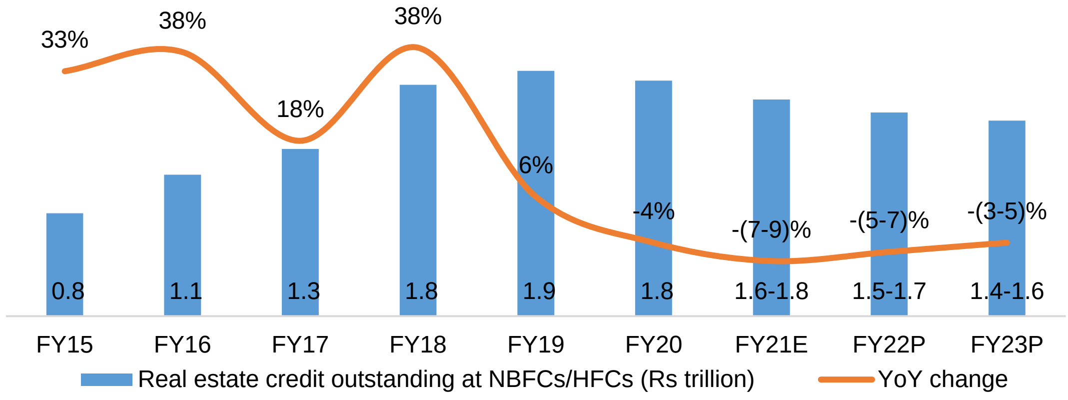
Banks have a higher market share of 90% in wholesale lending vis-à-vis non-banks' 10% (fiscal 2021). However, banks also witnessed a decline [-(1-3)% in fiscal 2021] in their wholesale book due to ongoing stress in the economy.

Lower disbursements and repayments due to moratorium resulted in negative growth of NBFCs' wholesale books [-(5-7)%] in fiscal 2021.

Going forward, NBFCs' wholesale segment is estimated to witness further decline on account of stress in the real estate and corporate sectors. As a leading indicator, over the years, players have been announcing their plans to reduce exposure to the wholesale sector due to high risks associated with it. Credit growth of NBFCs' wholesale segment is expected to be negative in fiscal 2022 and will remain muted in fiscal 2023.

NBFCs' real estate book to decline sharply with muted fresh disbursements and sell-offs

Real estate credit outstanding of NBFCs to decline 5-7% in fiscal 2022



Source: Company reports, CRISIL Research

Real estate book comprises ~60% of NBFCs' wholesale portfolio. It is expected to decline 5-7% in fiscal 2022 due to likely muted fresh disbursements. CRISIL Research estimates that overall stress in the wholesale book (excluding GNPA) ranges 30-40%. This includes contractual moratorium, book under date for commencement for commercial operations (DCCO) extension and book that is estimated to have opted for one-time restructuring.

With improvement in the economy, demand is expected to revive in fiscal 2022 and result in better collections for real estate developers. In the wake of the RBI's recent announcement titled Resolution Framework 2.0, second restructuring by borrowers remains a monitorable and will depend on the extent of the pandemic's second wave.

OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "**Forward Looking Statements**", "**Risk Factors**", and "**Financial Statements**" on pages 17, 19, and 144, respectively. In this section any reference to "we", "us" or "our" refers to IIFL Home Finance Limited. Unless stated otherwise, the financial data in this section is according to our Reformatted Ind AS Financial Statements and Reformatted IGAAP Financial Statements prepared in accordance with the requirements of the SEBI Debt Regulations and the Companies Act as included in this Draft Shelf Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

Overview

We are retail focused housing finance company with main focus on providing loans to first time home buyers in the EWS and LIG segment in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities in India where the collateral is a proposed self-occupied residential property. We serve salaried and self-employed customers who account for 44.37% and 55.63% of our AUM as of March 31, 2021, respectively. We have served over 141,000 customers as of March 31, 2021.

We offer customers a range of mortgage-related loan products, including (i) housing loans, for purchase of ready built residential units, under construction property by approved builders, self-construction, home improvement on pre-owned property and purchase of land for construction of residential property; (ii) secured business loans, for primarily meeting working capital requirement, business use and purchase of commercial property; and (iii) affordable housing project loans, to meet construction expenses of affordable housing projects of reputed developers. Housing loans, secured business loans and affordable housing project loans contribute 69.78%, 26.00% and 4.22% of our AUM, as of March 31, 2021, respectively. The housing loan and secured business loans have an average loan-to-value of 71.40% and 47.24%, respectively, at the time of sanctioning of the loans. The average ticket size of our housing loans, secured business loans and affordable housing project loans was ₹1.73 million, ₹2.79 million and ₹282.05 million, respectively.

Our AUM has increased from ₹97,693.15 million, as of March 31, 2017 to ₹206,936.87 million, as of March 31, 2021, at a CAGR of 20.64%. Our cost to Net Income Ratio has decreased from 49.64% for Fiscal 2017 to 22.32% for Fiscal 2021. As of March 31, 2021, our Gross NPA expressed as a percentage of our AUM was 1.72% and our Net NPA expressed as a percentage of our AUM was 1.20%.

We have a widespread network of 125 branches in 16 states and one union territory as of March 31, 2021. Most of our branches are located in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities which offer significant opportunities in affordable housing segment that is relatively untapped by bigger players in the home loan market. Our focus states include Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Punjab.

As a technology driven housing finance player we endeavour to make our customer experience as seamless as possible. We have made the entire life cycle of our housing loans i.e., from origination to closure, completely digitised. We have also adopted technology in all our other business processes including customer service, collections, risk management and monitoring asset quality. We have state-of-the-art IT infrastructure which has helped in real time analysis of customer data, improving our control and underwriting functions, while increasing customer reach and distribution capability, thereby reducing our costs. With strong in-house digital capabilities and efficient processes across business functions, we provide enhanced customer experience, enhanced transparency and sustainable growth. In the Fiscal 2021, 2020 and 2019 our Company originated 85.16%, 54.26% and 48.71% of the housing loans digitally and from April 1, 2021 our Company has achieved capability to onboard and take all decisions with respect to housing loans 100% digitally.

Our financing requirements have historically been met from a variety of sources including refinancing from the NHB, term loans and working capital facilities, proceeds from loans assigned, proceeds from the issuance of NCDs, external commercial borrowing; and subordinated debt borrowings from banks, mutual funds, insurance companies and other financial institutions to meet our capital requirements. As of March 31, 2021, our total borrowings was ₹130,102.45 million and our average cost of borrowings for Fiscal 2021 was 8.46%.

As an organization, we believe in 'Complete Profitability' with an equal focus on people, organisation, society and environment. We design our products aligned with the government mission on 'Housing for All' targeted towards fulfilling our customers' financial needs, while promoting environmental and social compliance. We are committed to create a sustainable impact through environmental, social and governance ("**ESG**") initiatives in line with sustainable development goals (SDGs) set out by the United Nations. We are focusing on four SDGs out of the 17 SDGs and are conscious of our responsibility towards the environment and are judicious in natural resource utilisation.

Our Company is conscious towards the judicious use of natural resources and minimizing impact on environment caused by construction activities. In light of this, our Company has launched various initiatives to reduce environmental impact caused by construction activities. We through our 'Kutumb' initiative share know-how for sustainable living by building awareness, educating stakeholders, and ensuring implementation of 'green building projects'. We have also started a pioneering initiative namely, 'Green Value Partner' where we partner with the developers and assist them in getting their projects duly certified by the green certification agencies. We have been awarded as the winner of '7th IGBC Green Champion Awards' in October 2020 for being a 'Pioneer in facilitating large scale adoption of green buildings among residential sector in India'.

We have a strong, experienced and dedicated management team, with our senior management having an average of 20 years' experience in the financial services industry in India. Further, our Board of Directors is comprised of a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

For Fiscals 2021, 2020 and 2019, our total income was ₹20,677.50 million, ₹18,030.21 million and ₹18,461.10 million, respectively, our profit after tax was ₹4,010.95 million, ₹ 2,449.22 million and ₹ 3,063.93 million, respectively and our net worth was ₹21,225.30 million, ₹17,780.66 million and ₹15,721.12 million, respectively.

The following table sets forth certain key financial information of our Company as at/for the periods indicated:

Sr. No.	Metrics	Fiscal 2021	Fiscal 2020	Fiscal 2019
1.	AUM (₹ million)(1)	2,06,936.87	1,84,947.35	1,81,578.31
2.	Disbursements (₹ million)	54,362.09	32,551.51	74,606.70
3.	Average ticket size (₹ million)(2)	2.04	2.44	2.66
4.	Gross NPA on AUM (%)(3)	1.72%	1.34%	0.73%
5.	Net NPA/ AUM (%)(4)	1.20%	1.08%	0.58%
6.	Net worth(5)	21,225.30	17,780.66	15,721.12
7.	PAT (₹ in million)(6)	4,010.95	2,449.22	3,063.93
8.	Adjusted PAT (₹ in million) (7)	4,632.63	2,850.80	3,063.93
9.	Adjusted Return on Total Assets (%)(8)	3.04%	1.96%	2.27%
10.	Adjusted ROE (%)(9)	23.75%	17.02%	22.59%
11.	Capital Adequacy Ratio (as per regulatory guidelines) (%)	22.98%	23.71%	21.02%
12.	Average yield on Gross Loan Book (%)(10)	12.58%	12.37%	11.47%
13.	Average cost of Borrowing (%)(11)	8.46%	9.28%	8.76%
14.	Net Interest Margin (%)(12)	5.05%	4.22%	3.79%
15.	Cost to Income Ratio (%)(13)	22.32%	36.10%	36.93%
16.	Number of branches(14)	125	127	127
17.	Live Accounts (including assigned loans)(15)	1,25,399	94,115	82,718

Notes:

1. *AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of securitization/assignment and are outstanding as of the last day of the relevant year.*
2. *Average ticket size:- Total sanctioned amount of the AUM of Live Accounts divided by those accounts.*
3. *Gross NPA to AUM :- Represents closing balance of the Gross NPA on our AUM as of the last day of the relevant year*
4. *Net NPA to AUM:- Represents the ratio of our Net NPA as of the last day or the relevant day or period to the AUM as of the last day of the relevant year*
5. *Net worth means share capital and other equity less unamortised debenture issue and prepaid expenses.*
6. *PAT represents Profit after Tax for the relevant year.*
7. *Adjusted PAT represents our profit after tax for the relevant year or period, adding back additional provisions towards the impact of COVID-19.*
8. *Adjusted Return on Total Assets:- Calculated as the Adjusted Profit after Tax for the relevant year as a percentage of Average Total Assets in such year.*
9. *Adjusted Return on Equity is calculated as the Adjusted Profit after Tax for the relevant year as a percentage of Average Net Worth in such year.*
10. *Average Yield on Gross Loan Book:- Represents the ratio of interest income on loans for a year to the average Gross Loan Book for the year*
11. *Average cost of borrowing:- Represents finance cost for the relevant year as a percentage of Average Borrowings in such year.*
12. *Net Interest Margin:- Represents the ratio of our total interest income less finance costs less bad debts recoveries for the year to the average interest bearing assets for the year.*
13. *Cost to income ratio represents the ratio of operating expenses for the relevant year divided by total income for the year or period, less finance costs, less bad debts recoveries for the year, expressed as a percentage.*

14. Number of branches represents aggregate number of branches of our Company as of the last day of relevant year.
15. Live Accounts (including assigned accounts):- Represent the aggregate number of loan accounts outstanding as of the end of the relevant year or period including loan accounts which have been transferred by our Company by way of securitization/assignment and are outstanding as of the last day of the relevant year.

Our Competitive Strengths

We believe that our position as a leading affordable housing finance company is founded on the following competitive strengths:

Large presence in the affordable housing segment, the fastest growing sub-segment of the Indian mortgage market

We largely operate in the affordable housing segment and our housing loans are targeted at the EWS and LIG segment with an average ticket size of ₹1.73 million. This segment has typically been underserved by traditional banks and large housing finance companies due to lack of reach and perceived higher risks, which provides us an opportunity to play a significant role in bridging the demand and supply gap in financing the affordable housing loans. GoI has introduced the Credit Linked Subsidy Scheme under Pradhan Mantri Awas Yojana – Housing for All (Urban) ("**PMAY-CLSS**") which aims at incentivizing home buyers, by providing credit-linked subsidy on housing loans taken for acquisition or construction of houses which enhances the affordability of above segment and also act as catalyst for demand side intervention. We helped empower over 43000 customers with more than ₹ 10 billion subsidies as on March 31, 2021, under the PMAY-CLSS which amounts to 3.81% of total subsidy granted by GOI under the PMAY-CLSS as of March 31, 2021. We have helped 37.98% of our housing loan customers, who had the eligible annual family income upto ₹1.8 million, avail CLSS benefit. We actively collaborated with various State Governments and State Housing Authorities in order to promote affordable housing. As of March 31, 2021, 46.66% of our Gross AUM and 74.90% of our live accounts was from customers who belonged to the EWS and LIG segment.

Various other initiatives such as tax holiday for affordable housing developers, infrastructure status (to ease financing for affordable housing developers), relaxation of ECB guidelines, special financing window (for stalled housing projects), have also been undertaken to act as a catalyst for supply side intervention. For further details, see "*Industry Overview*".

Our leadership in the affordable housing segment is based on our customer centric business model. We have developed and implemented practices and policies to address the specific issues faced in the affordable housing segment and to address our customers' need to access funds, while ensuring robust credit underwriting and collections policies. We leverage our local level knowledge of each micro market that we operate in which enable us to identify and implement alternate means of credit checks and review fund sources for repayment of our loans. These steps coupled with our in-house technical and valuation teams allow us to identify local level opportunities, ensure careful customer selection, timely loan approval and disbursals, and efficient real time monitoring of collections.

Presence in markets with strong growth potential

We have a strong outreach across the length and breadth of the country through our extensive distribution network of 125 branches strategically located across 16 states and our union territory as of March 31, 2021. Most of our branches are Located in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities offering a significant opportunity for our Company to capture the housing market in these locations. We have focused presence in eight states - Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Punjab.

We have adopted a strategy of contiguous expansion across states in India and have strategically expanded to relevant geographies by evaluating areas with high economic growth and substantial demand for affordable housing finance, along with industry portfolio-at-risk levels and socio economic risk profile. Our widespread network of full service branches allows us to service our existing customers, attract new customers and apply best practices developed in one region to other regions. We have demonstrated our ability to successfully identify new regions to set up branches and grow our market share in such regions.

Our growing presence across key states through physical locations, sales personnel, and digital and technology enabled solutions positions us to be the lender of choice for affordable housing loan products amongst our target customers. In addition to our network and online channels, we have access to IIFL Group's network of 2300+ touch points to reach potential customers in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities .

End-to-end digitisation

As a technology driven housing finance player, we endeavour to make our customer experience as seamless as possible. We have made the entire life cycle of our housing loans i.e., from origination to closure, completely digitised. We have state-of-the-art IT infrastructure which has helped in reducing costs, real time analysis of customer data, improving our control and underwriting functions, while increasing customer reach and distribution capability.

Our home loan processing is done through our proprietary application "Jhatpat Loans" in which underwriting is automated with pre-defined business rule engines thereby leading to reduced turn-around time (TAT) and increased standardisation of decisions resulting in lower credit cost.

This has led to a complete paperless credit underwriting mechanism that includes analysis of KYCs, income documents, credit history, business set-up and profile of the customer. We have defined policy guidelines which are built in the "Jhatpat application" for rule based underwriting leading to reduction in the frequency of judgment-based errors. We use technology to verify the identity and other loan documents submitted by the borrower along with digital underwriting. This integration of new data sources enables better insights for credit decisions, while real-time data processing, reporting, and monitoring further improves overall risk management capabilities.

Similarly, we have enhanced our secured business loans process with the help of various tools and integrations for real time validation of KYCs, income tax returns and banking statements, empowering our credit team to take better informed decisions.

Further, we have added E-sign and E-nach capabilities for the disbursal process for all products.

The investment in technology has not only helped us in improving customer experience, but also in reducing operating cost and development of new business opportunities. Our Cost to Income Ratio has decreased from 49.64% in Fiscal 2017 to 22.32% in Fiscal 2021.

Robust risk management architecture from origination to collections leading to superior asset quality

We have a well-defined risk management structure which includes periodic reviews and close monitoring to enable building a sustainable portfolio that takes care of the interests of all stakeholders. Our robust in house credit appraisal process and policies complimented with strong in-house collection team help in determining the acceptable risk. We have also brought smart technologies, right from loan origination to collections for a flawless credit appraisal, underwriting and monitoring which have helped us to maintain our portfolio quality.

From time to time, the processes and appraisal criteria are re-engineered, inconsistencies removed ensuring no human biases. The customer on-boarding have built-in proprietary rule engines to ensure standardized underwriting. The evolution of the appraisal process is continuous in nature and with multidimensional risk analytic system we do advance data analysis by evaluating trends co-relating it with emerging risks. It not only helps us in effective control on our underwriting processes but also in making region centric policies basis on our past trend analysis and the peculiarity of the respective micro market. Further risk management team does regular portfolio analysis and monitoring using internal and external data sources to predict future risks which involves various steps at different stages starting payment of dues which are further studied to analyse the repayment behavior of the customers.

Our in-house collection team that uses various data analysis and trends provided by risk team to take proactive actions for faster collections. For collections and recovery, our Company uses digital collection and communication tools both for customer interaction and collection. The collection team uses a mobile application, an end-to-end platform, for doing receipt entries, deposit entry, visit schedule and other day to day field collection related activities. Majority of our collection is done through automated clearing without the much need of physical collections. Apart from taking recovery steps, team also educates the customers to exercise the discipline and for understanding the reason for default. Field visits, initiating legal actions for recovery under various laws are some of the measures undertaken by collection team for recovery.

Established and robust environmental, social and governance practices to ensure a sustainable business

We have adopted and implemented a social objective across all aspects of our business in line with vision of 'Complete Profitability' and ESG framework with increased focus on sustainable growth. We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the EWS and LIG segment. As of March 31, 2021, 74.90% of our live accounts was from customers who belonged to the EWS and LIG segment. Through the provision of loans for purchase of homes to a customer segment that is not serviced by the mainstream financial services sector and our employment of personnel in rural and semi urban locations across India, we are fulfilling an important social objective of economic upliftment for these segments of the Indian economy.

We have also formulated an ESG Framework which aims at integrating environmental, social, and governance considerations within our business operations. Our Company has aligned its efforts with 4 of the 17 United Nations Sustainable Development Goals (UN SDGs). We have launched various programmes such as 'Kutumb' and Green Value Partner. We through our 'Kutumb' initiative share know-how for sustainable living by building awareness, educating stakeholders, and ensuring implementation of 'green building projects'. We have also started a pioneering initiative namely, 'Green Value Partner' where we partner with the developers and assist them in getting their projects duly certified by the green building authorities.

Well established brand, experienced and stable management team and strong corporate governance

'IIFL' is a well-established brand among retail, institutional and corporate clientele in India. We believe we have benefited extensively from the Promoters' experience in the financial services industry to develop deep understanding of the market and related opportunities, gauge customer expectations and design suitable products for our target customer base. We derive synergies from our group companies owing to the common brand. Our Company is able to leverage on the relationships of the promoter and the group companies for competitive advantage.

Our Board of Directors is comprised of qualified and experienced personnel, who have extensive knowledge and understanding of the banking and finance industry. Both our Executive Director and CFO have over two decades of experience in the financial services industry. Our executive management team also have significant experience in the products and services offered by us. We believe that our senior management and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses; and that their extensive relevant experience and financial acumen will continue to provide us with a distinct competitive advantage. Our management organization structure is designed to support each product line with a dedicated team of executives with substantial experience in their particular business domain.

We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. Our senior managers have diverse experience in various financial services and functions related to our business. We believe that the knowledge and experience of our senior and mid-level management team members provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies.

Established track record of financial performance

We have been in the business of home financing for over a decade and has shown a consistent performance over the years. Our AUM has increased from ₹97,693.15 million, as of March 31, 2017, to ₹206,936.87 million, as of March 31, 2021, at a CAGR of 20.64%. Our disbursements during fiscal 2021, 2020 and 2019 were ₹54,362.09 million, ₹32,551.51 million and ₹74,606.70 million, respectively.

Our profit after tax improved from ₹ 3,063.93 million in Fiscal 2019 to ₹ 4,010.95 million in Fiscal 2021 and our Net-worth has increased from ₹15,721.12 million in Fiscal 2019 to ₹ 21,225.30 million in Fiscal 2021. Our CRAR, ROE and ROA are at 22.98%, 20.57% and 2.63% in as of March 31, 2021. As of March 31, 2021, our Gross and Net NPA expressed as a percentage of our AUM are 1.72% and 1.20%, respectively.

We believe that we are able to access borrowings at a competitive cost due to our credit ratings, stable credit history, conservative risk management policies and strong brand equity. Our financing requirements historically have been met from several sources, including refinancing from the NHB, term loans, working capital loans and external commercial borrowing. As of March 31, 2021, our Total Borrowings were ₹130,102.45 million and our average cost of borrowings was 8.46%.

We follow an asset light approach wherein we assign loans through direct assignment to banks and financial institutions, which enables us to optimize our capital and asset liability management. As of March 31, 2021, assignment/securitisation accounts for 34.29% of the total borrowings, including assignment.

We have also signed co-lending agreement with multiple banks and financial institutions which will enable us to scale our business without raising additional resources. Till date, we have signed agreement with few private sector banks and a public sector bank and have started funding under these arrangements.

Our Strategies

Leverage Technology to Grow Business and Drive Operational Efficiency

As a technology driven housing finance player, we focussed toward making our customers' experience as seamless as possible. With advanced analytical tools and automation, we have made credit underwriting, appraisal and collection processes faster and accurate. We seek to leverage technology to enhance our lead sourcing and customer fulfilment process. We have also entered into arrangements with digital lead aggregators and other digital companies to make the loan on-boarding process more hassle free and seamless.

Focus on providing affordable housing loans to EWS and LIG customers in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities

We continue our focus on customers in the EWS and LIG income segment in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities who are not adequately served by the large institutions. Further, as a social responsibility of our business we have a keen focus on first time home buyers and women owners/ co-owners. Most of these customers are situated in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities. We leverage our cloud based flexible IT Infrastructure and architecture to offer our services to these customers, enabling central credit underwriting and disbursement and eliminating the need for huge physical infrastructure and full-fledged branch setup. Also, our digital platform gives us an opportunity to offer multiple services to our existing customer base. We believe that our digital platform will become a growth engine to offer our services to the masses and provide increased opportunity for cross selling.

Increase penetration in our existing markets and offer newer products

We intend to continue to expand our presence in an on-ground contiguous manner in order to achieve deeper penetration in the states where we have significant presence and also focus on growth in states where we see potential for growth. Before setting up new branches, we conduct research and consider various factors which includes regional demographics, quality of credit, size of the market, ease of penetration and the competitive landscape. We also intend to have deeper penetration in the states of Rajasthan, Telangana, Punjab and Maharashtra. We believe that our technology driven operating model is scalable and will assist us expanding our operations with lower incremental costs to drive efficiency and profitability.

Reduce cost of borrowings by diversifying sources of borrowing and assigning loans through direct assignment to banks and financial institutions

We seek to reduce our average cost of long term borrowings through improved credit ratings and by diversifying our borrowing profile. We have historically secured financing from private and public sector banks, the NHB and securitization transactions. Our company has been a major beneficiary of on-lending scheme of priority sector lending for housing which has brought down costs significantly and will further reduce the cost of borrowings from banks in future. We believe we have been able to obtain cost-effective financing and optimize our borrowing costs due to several factors including our improved credit ratings and our financial performance.

We follow an asset light approach wherein we assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As of March 31, 2021, assignment/securitisation accounts for 34.29% of the total borrowings.

Key financial and operational information

The following table sets forth certain key financial and operational information, as of and for the periods indicated:

Metric	As of and for the financial year ended March 31,		
	2021	2020	2019
Net Worth[4] (₹ million)	21,225.30	17,780.66	15,721.12
Borrowings (₹ million)	1,30,102.45	1,23,450.53	1,23,014.31
Property, Plant and Equipment, Capital work in progress, Other Intangible assets and Right to Use Assets	157.77	290.01	49.65
Cash and Cash Equivalents (₹ million)	4,123.28	9,251.67	8,068.42
Bank balances other than cash and cash equivalents (₹ million)	4,437.40	3,556.63	1,968.94
Loans (₹ million)	1,45,649.23	1,29,373.21	1,34,111.56
Financial assets (₹ million)	1,58,528.17	1,44,273.01	1,45,556.73

Metric	As of and for the financial year ended March 31,		
	2021	2020	2019
Non-Financial assets(₹ million)	1,249.93	901.93	540.28
Financial liabilities(₹ million)	1,36,749.03	1,26,727.80	1,29,256.50
AUM[1] (₹ million)	2,06,936.87	1,84,947.35	1,81,578.31
Off Balance sheet assets (Direct Assignment) (₹ million)	58,340.33	56,807.77	47,701.19
Growth rate of AUM	11.89%	1.86%	26.79%
Gross Loan Book[2] (₹ million)	1,48,549.53	1,28,139.57	1,34,002.60
Disbursements[3] (₹ million)	54,362.93	32,551.51	74,606.70
Revenue from Operations (₹ million)	19569.66	17428.63	17484.31
Total Income (₹ million)	20,677.50	18,030.21	18,461.10
Finance Cost (₹ million)	10532.73	10866.45	11022.55
Tier I Capital Adequacy Ratio (%)	19.61%	18.35%	15.82%
Tier II Capital Adequacy Ratio (%)	3.37%	5.36%	5.20%
Debt-Equity Ratio (%)	6.06	6.86	7.70
Bad Debts write off including (Net off recoveries) Impairment on financial instruments - (₹ million)#	2672.95	1236.03	195.11
Profit after Tax (₹ million)	4,010.95	2,449.22	3,063.93
Gross Stage 3 - Gross NPAs (₹ in million)[7]	2,924.58	2,052.30	1,183.19
Net NPA (Net Stage 3) (₹ in million)	1,839.18	1,569.54	900.80
Gross NPAs / Gross Loan Assets[8]	1.97%	1.60%	0.88%
Net NPAs / Gross Loan Assets[8]	1.24%	1.22%	0.67%
AUM / Net Worth	9.75	10.4	11.55
Return on Total Assets[5, 15]	2.63%	1.68%	2.27%
Return on Equity[6, 15]	20.57%	14.62%	22. 59%
Average Yield on Gross Loan Book[9, 15]	12.58%	12.37%	11.47%
Average cost of borrowings (including securitization)[10]	8. 46%	9.28%	8. 76%
Net Interest Margin[11]	5.05%	4.22%	3.79%
Cost to Income[12]	22.32%	36.10%	36.93%
Operating Expenses to Average Total Assets[13, 15]	1.48%	1.76%	2.03%
Credit Cost to Average Total Assets[14, 15]	1.75%	0.85%	0.14%
Capital Adequacy Ratio (derived from Reformatted Financial Statements)	22.98%	23.71%	21.02%
Number of branches	125	127	127
Live accounts (including securitised accounts)	1,25,399	94,115	82,718

 # hit due to covid-19.

[1] *AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of securitization/assignment and are outstanding as of the last day of the relevant year.*

[2] *Gross Loan Book represents the sum of receivables under financing activities from our own book of the last day of the relevant year.*

[3] *Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant year.*

[4] *Net worth means share capital and other equity less unamortised debenture issue and prepaid expenses.*

[5] *Return on Total Assets is calculated as the profit for the year as a percentage of average total assets in such year.*

[6] *Return on Equity is calculated as the profit after tax for the period as a percentage of Average Net Worth in such year. Average Net Worth represents the simple average of our Net Worth as of the last day of the relevant year and our Net Worth as of the last day of the previous year.*

[7] *Gross NPA represents the closing balance of the Gross NPA of our Gross Loan Assets as of the last day of the relevant year.*

[8] *Net NPA represents the closing balance of the Net NPA of our Gross Loan Assets as of the last day of the relevant year.*

[9] *Average Yield on Gross Loan Book represents the interest income for a year to the average Gross Loan Book for the year, represented as a percentage.*

[10] *Average cost of borrowing including securitization represents finance cost for the relevant year as a percentage of Average Borrowings in such year.*

[11] *Net Interest Margin represents the net interest income for a year to the average interest bearing assets for the year, represented as a percentage.*

[12] *Cost to Income represents the aggregate of employee benefits expense, depreciation and amortization expense and other expenses for the relevant year upon total income less finance costs less bad debt recovery for the relevant year, represented as a percentage.*

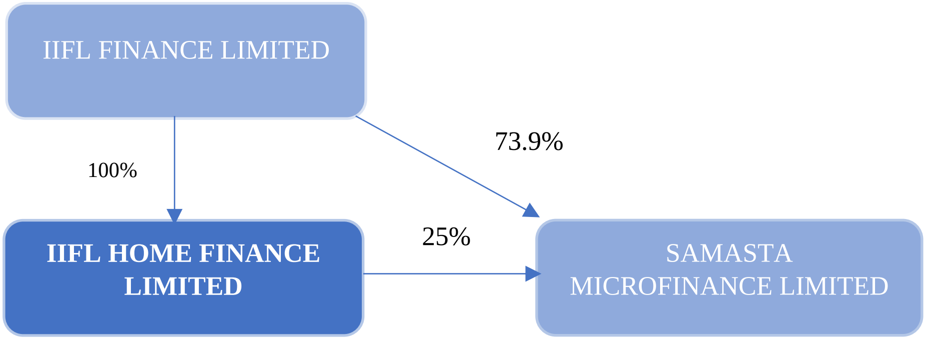
[13] *Operating Expenses to Average Total Assets represents the aggregate of employee benefits expense, depreciation and amortization expense and other expenses for the relevant year upon the simple average of our total assets as of the last day of the relevant year and our total assets as of the last day of the previous year, represented as a percentage.*

[14] *Credit Cost to Average Total Assets represents the impairment (net off bad debt recoveries) on financial instruments to simple average*

of total assets as of the last day of the relevant year and total assets as of the last day of the previous year, represented as a percentage.

[15] *Average Total Assets represents simple average of total assets as of the last day of the relevant year and total assets as of the last day of the previous year.*

Corporate Structure



Our Products and Services

We operate in the following lines of business: (i) housing loan; (ii) secured business loans (iii) affordable housing project loans.

We offer customers housing loans, secured business loans and affordable housing project loans, which accounted for 69.78%, 26.00% and 4.22% of our AUM, as of March 31, 2021, respectively.

(i) Housing loan

Housing loan is extended to individuals for purchase of residential units or under construction property by approved builders, self-construction or home improvement on pre-owned property and purchase of land for construction of residential property. This product is offered primarily to cater the housing needs of salaried customers upto 70 years of age, self-employed and professional customers upto 75 years of age having documented as well as non-documented/ informal income. Both these types of borrowers can be either salaried or self-employed. Customers are on-boarded through our Jhatpat application that provides instant approval decisions. Our target customers are primarily the first time home buyers in the low and middle income groups. The maximum tenure for housing loan is 25 years depending on the borrower profile.

(ii) Secured Business Loans

Secured business loan is mainly extended for Business use i.e., meeting working capital requirements, investment in business, purchase of commercial property (Non-residential property), balance transfer of mortgage loan running with another financial institution (BT) and top-up to existing customers. Such loans are secured by mortgage on the residential property, land, or commercial property, as applicable. We also obtain personal guarantees from all property owners. This is a secured loan that can be availed not only against constructed residential or commercial properties, but also against a plot of land. Further, to cater to the financial needs of small business owners, we have a customized low ticket secured product. The maximum tenure for secured business loans is 10 years.

(iii) Affordable housing project loans

Affordable housing project loans constitutes 4.22% of our AUM, as of March 31, 2021, are designed to meet the construction funding requirements of real estate developers across the life cycle of their projects. The portfolio consists of 100% secured loans over 38 projects consisting of mortgage over 14,500 homes (78% of whom cater to affordable homes) which continue to be in demand. We primarily fund experienced developers and over 90% of our affordable housing project loans portfolio consists of developers having more than 10 years of real estate experience.

These above portfolio characteristics with strict post disbursal monitoring including regular developer meetings, periodic project visits , developer data analysis and escrow management helped in maintaining portfolio quality even in the present scenario of pandemic.

The following table sets forth details of our AUM, disbursements and average ticket size for our housing loans, secured business loans and affordable housing project loans, for the periods indicated:

(₹ in millions)

Metric	As of and the Fiscal		
	2021	**2020**	**2019**
AUM			
Housing loans	144,392.42	124,430.62	121,856.87
Secured business loans	53,811.47	48,821.48	47,533.75
Affordable housing project loans	8,732.98	11,695.25	12,187.68
Total	**206,936.87**	**184,947.35**	**181,578.31**
Disbursement			
Housing loans	41470.04	23,877.13	53,860.75
Secured business loans	12683.28	5,327.86	14,863.09
Affordable housing project loans	209.61	3,346.52	5,882.86
Total	**54,362.93**	**32,551.51**	**74,606.70**
Average ticket size on AUM			
Housing loans	1.73	1.87	2.03
Secured business loans	2.79	4.62	5.13
Affordable housing project loans	282.05	149.99	118.06
Total	**2.04**	**2.44**	**2.66**

Branch Network and geographical distribution

As of March 31, 2021, we operate in 16 states and one union territory with 125 branches. However, we have a significant presence in the states of Gujarat, Madhya Pradesh, Karnataka and Andhra Pradesh through 75 branches.

The following table sets forth certain details of our branch network, as of March 31, 2021:

Sr. No.	State	Number of Branches	Percentage of AUM
1.	Gujarat	29	9.76%
2.	Madhya Pradesh	10	6.88%
3.	Karnataka	12	6.34%
4.	Andhra Pradesh	24	3.66%
5.	Maharashtra	8	21.61%
6.	Telangana	6	5.96%
7.	Rajasthan	7	4.69%
8.	Punjab	4	4.19%
9.	Others	25	36.91%

Before setting up new branches, we conduct due diligence covering factors which includes regional demographics, quality of credit, size of the market, ease of penetration and the competitive landscape. We also examine the delinquency levels of financiers for housing loans and other loans to understand the repayment history of borrowers in the region. We have increased our geographical presence by adopting a strategy of contiguous expansion across regions and have set up branches in districts which offer us significant growth potential.

Customer Base

Our target customer segment comprises individuals from the EWS and LIG segments in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities with an average ticket size of ₹1.73 million who have limited access to formal banking credit. We offer loans to both salaried and self-employed individuals in formal and informal segments. We cater to customers who do not have formal income proofs, payslips, or income tax returns, and hence may be excluded from being served by banks or large financial institutions. As a result of our expertise, experience and business model and comprehensive credit appraisal criteria, we believe that we are able to effectively serve such customers and grow our business, while monitoring and mitigating risks.

As of March 31, 2021, we are servicing 1,25,399 active loan accounts. Loans to self-employed customers accounted for 39.76% of our AUM, while loans to salaried customer accounted for 60.24%, as of March 31, 2021. As of March 31, 2021, 46.66% of our AUM were from customers who belonged to the EWS and LIG category and 21.12% of our AUM were from customers who were new to credit. We target first time home buyers where the collateral is a proposed self-occupied residential property.

The following table sets forth certain details of our customer base, as of the dates indicated:

	March 31, 2021	March 31, 2020	March 31, 2019
Number of total loan accounts	1,25,399	94,115	82,718
Self-employed loan accounts	49,861	37,487	34,449
Salaried loan accounts	75,538	56,628	48,269
New to credit accounts* *(%)*	21.12%	23.71%	23.95%

**New to credit represents loans where customers do not have a credit history or where the credit history is too recent for CIBIL to give credit scores to the customers.*

The table below indicates the income-wise split of our number of customers and Gross AUM as of and for the periods indicated:

(₹ million)

Metric	As of and for the financial year ended March 31,		
	2021	2020	2019
Salaried	91,816.66	74,512.16	66,416.60
Self-employed	1,15,120.20	1,10,435.19	1,15,161.71
Gross AUM	**2,06,936.87**	**1,84,947.35**	**1,81,578.31**

Loan-to-Value (LTV) Ratio, EMI and Tenure of housing loan

The RBI Master Directions prescribe the maximum permissible parameters of the loan amount that can be provided to housing loan customers. Loan amount of up to ₹3.00 million is permitted to have a maximum LTV ratio of up to 90.0%, loan amount between ₹3.00 million and ₹7.50 million is permitted to have maximum LTV ratio of up to 80.0% and loan amount above ₹7.50 million is permitted to have maximum LTV ratio of up to 75.0%.

While approving a loan application, we review, among others, the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, family details, the customer's business and salary profile and the security being provided by the customer. We have built in rule engines in our systems with respect to monitor the above prescribed LTV norms.

Our housing loans and loans against property had an average loan-to-value on sanction of 71.40% and 47.24%, as of March 31, 2021, respectively. The offered tenure of our housing loans and secured business loan is for a period up to 25 years and 10 years, respectively, and vary according to the purpose of the loan, the customer's age and the customer segment.

Interest Rates, Fees and Collateral for housing loan

The rate of interest charged to the customer is linked to the "benchmark PLR" which is determined based on cost of funds, operational expenses of the company and minimum "margin". The effective rate of interest may vary or fluctuate during the term of the loan especially if there are any changes in PLR. The parameters like credit scoring, loan amount, profile type etc. contribute to the margin being higher or lower at the time of on-boarding the customer.

The rate of interest offered to a particular customer is the summation of this BPLR and the margin. The variable rate loans are offered to the customers at PLR – discount/+ premium as decided at the time of sanctioning of loan. The company evaluates the PLR periodically. To cover the cost incurred in the loan process, we charge one-time processing/administrative fee from our customers.

The underlying collateral for a loan is the house towards which the loan is provided, either for construction, purchase or improvement. The security for housing loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property. We also obtain guarantees from a guarantor in certain loans. We advise insurance coverage to customers wherein the entire loan outstanding is repaid by the insurance company in the event of death of a customer.

Business processes

Business origination

We generate loans through both in-house direct sales team (**"DSTs"**) and external direct sales agents ("**DSAs**"). Loans sourced through DSTs can be through our website, social media platforms, walk-ins, cross sell etc. or may be sourced directly by the DST. We have dedicated policy defining norms which have to be complied before taking a DSA on our panel. Our contribution from DSTs to total disbursements increased from 74.44% in Fiscal 2019 to 91.90% in Fiscal 2021. DSTs utilise Jhatpat Application for on-boarding a new home loan borrower. As of March 31, 2021, our direct selling team comprised 737 members.

Our target customers are individuals with low to middle range income levels. Self-employed individuals include both professionals and small business owners and salaried individuals hail from a broad spectrum of companies/firms across industries. We cater to the broad segment with a range of loans with suitable ticket-sizes.

Credit approval and disbursement process

Our credit policy is approved by the Board of Directors. Loan approval for housing loans is undertaken with the help of our in-house technology that integrates various business rule engines. Our lending policy is automated in our on-boarding application "Jhatpat", which filters out the non-eligible customers for loan processing. The details of qualifying customers flow to our in-house loan processing system and is processed by our central team of underwriters. The paperless credit evaluation includes online validation of KYC, credit history check, income/ financial analysis, banking analysis, contact point verification and profile verification, where required. The eligibility of customers is auto calculated in the system. These digital verifications and automation not only enable the underwriters to process a loan application faster but also helps them to review more number of loans in a day leading to faster turnaround time ("**TAT**") for our customers.

The secured business loans are processed manually by the branch credit team in accordance with our credit policy. Once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters such as Past repayment history, income source, KYC and property acceptance norms. Underwriting is done as specified in the Credit Control policies & procedures manual. Every employee is given authority to approve a loan basis his experience and qualification. Our credit team for non-digital process consists of professionally qualified Chartered Accountants and MBAs from premier institutes to perform appraisal and due diligence. As part of appraisal process, Credit score is the gatekeeper for moving the file in. If score parameters defined in policy are met, then only the case is logged in for further processing. Various checks and verifications are performed on the documents provided by the borrower to check the genuineness. These checks and verifications are done through an independent Fraud Control Unit. Our loan officers and/ or empaneled vendor meet the borrowers at their business premises and carry out personal discussion. We also undertake credit and financial background check on each borrower.

The affordable housing project loans are sourced by the business teams wherein the focus is on lending to reputed developers having successful completion track record and active in the space of developing affordable housing projects, requiring construction funding. The developer should be of strategic relevance and complement to our retail strategy as well. A thorough discussion by the business and the credit team with the developer is done to understand his funding requirements. The processing of the loans is done by the specialised central credit team in accordance with the laid down guidelines and the loan proposal is evaluated on the parameters such as developer's overall real estate experience, execution capabilities and timely delivery, past repayment history, group strength and market reputation,. Project assessment includes micro market analysis, location advantages, stage of construction, project future cash flow potentials, sales potential, execution capabilities and timely delivery, past repayment history, group strength and market reputation, etc. done both by inhouse legal and technical team and but also through reputed international property consultants and law firms. After doing a thorough developer data analysis its audit, financial and banking analysis, legal and technical evaluation commenting on the clear title and availability of requisite approvals, RERA registrations etc., a detailed note is prepared and loan sanction is granted post approval from requisite authorities. The loan is subject to strict post disbursal monitoring by the central credit team which includes ensuring security perfection, regular developer data analysis and audit, escrow account, periodic review of project progress, etc.

In addition to the aforesaid, Legal and technical verification of the property is conducted in all the loans by in-house as well as by external vendors depending on the transaction type and verification required. We have empaneled professionally qualified legal vendors and valuation agencies to carry security evaluation for us. These vendors are supervised by our professionally qualified independent Legal and Technical team. Our in-house technical team undertakes field visits to identify the location of the proposed collateral. The enhanced legal verification process is followed by bifurcating the process into legal search and legal report. The central in-house legal team which comprises of legal professionals having diversified experience prepares the legal opinion by checking the title documents of the proposed collateral for ascertaining the title flow and its authenticity. Further they use technology by accessing various central and state specific government sites and repositories to digitally trace the property and ownership records for title search resulting in faster and accurate legal opinions An external legal search is conducted through external lawyers if it requires physical verification at the office of the concerned authority.

The loans are disbursed at the branches with a maker-checker concept post validating disbursement documentation, e-sign on digital doc-kits, eNACH and original security documents. We endeavour to mitigate risk through defined loan documentation, and execution of equitable mortgage prior to the disbursement of the loan. In addition, key terms and conditions are usually communicated to the prospective customer.

Loan collection and monitoring

Our loan collection and monitoring is fully digitized and we use digital communication channels for monitoring our loans. Our in-house collection team comprises of Tele-Calling team, Field Collections and Legal Recovery. We send customers reminders before the due date using omnichannel communication like text messages and automated calls. We have logics in place to identify certain risk segment of customers who need more focus than others and we send multiple channel reminders. Recovery actions are initiated immediately as and when the customer defaults. The degree of engagement increases with increase in number of days past due.

In case of delay in payment of EMI, we use our CRM platform to generate data and monitor the actions taken on these cases. Default cases are assigned to tele-calling team or field collections, using predefined logics present in system. Our platform empowers us to identify the focus areas and initiate campaigns based on the previous feedback entered by the collection agents. We have also provided a mobile application which is an end-to-end platform for our feet-on-street collection managers. This app helps them for receipt entry, deposit entry, visit schedule and other day to day field collection related activities. Collection Manager also uses our multiple online payment collection channels to reduce physical cash collection activities. For difficult to recover cases, we have related legal process initiated in parallel to field visits to assist our agents collect customers' outstanding. The legal collection team also uses digital platforms for efficient tracking of cases.

Customer Service

Our Company focuses on catering to the ever evolving needs of the diverse market. Our customers raise their request, highlight concerns or avail our offerings through a network of channels and platforms like customer portal, mobile application, chatbot on website, customer service call centre, social media platforms etc. Once a query reaches us from any medium, a robust automated workflow in our customer service platform at the backend handles these queries. Majority of the queries of the customers are automated end to end without manual intervention, providing real time resolution to the customer.

Treasury Functions

Our treasury department is responsible for our capital requirements and asset liability management, liquidity management and control, diversifying fund raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in our investment policy. We have obtained financing from a variety of sources including term loans and working capital facilities; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds and insurance companies to meet our capital requirements. We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. Our treasury and finance team periodically submit their reports to our asset liability management committee, which submits its findings to our Board.

Our financing requirements have historically been met from a variety of sources including refinancing from the NHB, term loans and working capital facilities, proceeds from loans assigned, proceeds from the issuance of NCDs, external commercial borrowing; and subordinated debt borrowings from banks, mutual funds, insurance companies and other financial institutions to meet our capital requirements. As of March 31, 2021, our Total Borrowings were ₹130,102.45 million, which comprised 55.19% (₹71,799.21 million) of loans from banks, 16.16% (₹21,027.50 million) of secured non-convertible debentures, 21.10% (₹27,455.97 million) refinance of loans from National Housing Bank, 4.19% (₹5,453.04 million) of proceeds from loans assigned by way of securitization and 3.36% (₹4,366.73 million) of subordinate debt. Our Company has assigned loan of ₹ 58,340.33 by way of assignment which constitute 28.19% of our AUM.

Our average cost of borrowings for Fiscal 2021 was 8.46%.

Capital Adequacy Ratios

The RBI Master Directions require HFCs to comply with a capital to risk (weighted) assets ratio, or Capital Adequacy Ratio, consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital may not be less than 13% on or before March 31, 2020; 14% on or before March 31, 2021 and 15% on or before March 31, 2022 of the sum of the HFC's risk-weighted assets and the risk-adjusted value of off-balance sheet items, as applicable, with a minimum requirement of Tier I capital of 10% on risk-weighted assets. Further, the RBI Master Directions require that the Tier II capital may not exceed the Tier I capital.

The following table sets forth certain details of our Capital Adequacy Ratio derived from our Financial Statements, as of the dates indicated:

	As of		
	March 31, 2021 (IndAS)	**March 31, 2020 (IGAAP)**	**March 31, 2019 (IGAAP)**
Capital Adequacy Ratio	22.98%	23.71%	21.02%
Capital Adequacy Ratio – Tier I Capital	19.61%	18.35%	15.82%
Capital Adequacy Ratio – Tier II Capital	3.37%	5.36%	5.20%

Credit Ratings

Our current credit ratings are set forth below:

Rating Agency	Instrument	Credit Rating
CRISIL	Non-convertible debentures	CRISIL AA/Stable reaffirmed
	Subordinated debt	CRISIL AA/Stable
	Principal protected market linked non-convertible subordinated debentures	CRISIL PP-MLD AAr/Stable reaffirmed
	Long term principal protected market linked debentures	CRISIL PP-MLD AAr/Stable reaffirmed
	Total bank loan facilities rated	CRISIL AA/Stable reaffirmed
	Commercial paper	CRISIL A1+ reaffirmed
ICRA	Commercial paper programme	[ICRA] A1+ reaffirmed
	Non-convertible debenture programme	[ICRA]AA/ Negative reaffirmed
	Subordinate debt programme	[ICRA]AA/ Negative Reaffirmed
	Long term fund based bank lines programme	[ICRA]AA/ Negative Reaffirmed
	Long term principal protected market linked debenture programme	PP-MLD[ICRA]AA/ Negative Reaffirmed
CARE	Non-convertible debentures	CARE AA; Negative [Double A; Outlook: Negative]
Brickworks	Unsecured subordinated non-convertible debentures	BWR AA+ 'Negative'
	Subordinated non-convertible debentures	BWR AA+ 'Negative'
	Secured non-convertible debentures	BWR AA+ 'Negative'

Risk Management Framework

Risk management is integral to the Company's business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we face financial and non-financial risks. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

The Company has a well-defined Risk Management Strategy and a Framework which is designed to identify, measure, monitor and mitigate various type of internal and external risks. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A Board of Directors approved Risk Management Policy has been put in place to establish appropriate systems or procedures to mitigate all material risks faced by the Company.

The company is exposed to different types of risks emanating from both internal and external sources. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Risk Management team, identifies, analyses and takes measures to mitigate risks faced by the Company. The team is guided by the Company's Risk Management Committee and the Senior Management to develop and implement Risk Assurance practices on a pan-organizational basis. The risk management framework institutionalized in the Company is supported by a

"Three Lines of Defense" approach. Business functions act as the first line of defense, control functions like Risk Management and Compliance act as second line of defense and the Internal Audit acts as the third line.

As a housing finance company, our Company has to manage various risks associated with the lending business. The major risks include credit risk, operational risk, liquidity risk, market risk and regulatory risk.

Credit Risk

Credit risk refers to risk of loss that may occur from the default by our customers under our agreements. This is inherent and most dominant of the risks in the lending business. We manage credit risks by using a defined set of credit norms, procedures and policies, which are approved by our Board and integrated in our technology platform which reduces the frequency of judgment-based errors. The risk team review of the policies, process and products on an ongoing basis and highlights and suggest changes based on their trend analysis wherever necessary. Our credit team ensures the implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information and loan closure documents, and highlight early warning signals and industry developments enabling pro-active field risk management.

We use technology to verify the identity and other loan documents submitted by the borrower along with digital underwriting. This integration of new data sources enables better insights for credit decisions, while real-time data processing, reporting, and monitoring further improves overall risk management capabilities. Our portfolio management uses advanced analytics and machine-learning tools to identify the problematic loans at an early stage. Based on the continuous review mechanism, credit policies and processes are being reviewed and appropriate changes are undertaken. An independent internal audit team conducts regular review of credit files on a sample basis to ensure adherence to the policies.

Further a stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. In order to address and mitigate the operational risks, we have an operational risk management policy in place, which sets out processes and controls that are required to be monitored at different points of time in relation to people, systems and processes. The user access manual defines effective segregation of duties, access, authorisation and reconciliation procedures for employees An effective maker checker mechanism is further put in place to ensure elimination of errors and misuse of the systems in complex set of processes which is constantly monitored by internal audits.

It is as a continuous process which includes risk assessment, decision making, and implementation of controls, which results in acceptance, mitigation or avoidance of risk. To have a preventive vigilance and control the transaction risk, Risk Containment Units have been established at major locations, wherein hind sighting, upfront scrutiny and curbing of malpractices are undertaken. Operational costs are also reduced as credit processes are digitized. A greater share of time and resources can be dedicated to value-added activities, as inputs and outputs become standardized and paperless.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of capital at an appropriate cost and tenure. We may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of financing an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines.

We monitor liquidity risk through our Asset and Liability Management Committee in line with a well-defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

Our treasury department seeks to maintain flexibility in funding mix by way of sourcing the funds through multiple sources, including banks, financial institutions, money markets, debt markets and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with various banks, mutual funds, financial institutions, insurance companies, the NHB, other domestic and foreign financial institutions and rating agencies, etc.

Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Market risk is managed by investing in accordance with our investment policy which includes implementing stringent controls and limits, regular reporting of positions, regular independent review of all controls and limits, and testing and auditing of all pricing, risk management and accounting systems. The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

- **Interest Rate Risk** - We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our funding sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. Though our interest rate risk remains in sync with our lending and borrowing function, we always try to manage interest rate risk, by optimizing our borrowing profile between short-term and long-term loans. We adopt funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.

- **Foreign Exchange Risk -** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB). The company has limited exposure of foreign exchange risk which is fully hedged The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

- **Price Risk -** Price risk is the risk that the value of a security or investment will decrease. The company uses tools such as sensitivity analysis, price trend analysis etc. to hedge the price risk.

Regulatory Risk

Regulatory risk is the risk that can materially impact a company due to changes in laws and regulations made by the government or a regulatory body like NHB, SEBI etc. It can increase the costs of operating the business, and/or change the competitive landscape. We have a robust corporate governance process in place to ensure that we are compliant with all the applicable laws, rules, regulations and guidelines. The Company makes changes in its systems and practices to realign itself with the changed regulatory framework from time to time as required.

Information Technology

Information Technology at our Company is the core element which drives business growth and forms the backbone of our organization. Information technology is used as a strategic tool which comprises of industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers. With adoption of Digital transformation and Robust IT Framework has enabled organization to improve efficiency, flexibility, increased transparency and serve better customer experience.

With our Industry Standard Systems and adequate security controls, we are constantly achieving business objectives. We are able to manage our nationwide operations efficiently and market effectively to our target customers including round the clock support. Policy and processes are aligned with RBI, NHB Master Directions, ISO 27001 and Industry best practices and industry standard security solutions are implemented to control security and Cyber Risks.

Overall IT setup is also highly scalable to meet urgent business demands as the applications workloads are hosted on cloud which has enough resources and storage capacity in the backend. With Strong and skilled in-house Technology Team along with adoption of robust IT Architecture and agility, business objectives and customer requirements are getting fulfilled with faster roll out of products and services.

Our Company continues to sustain its commitment to the highest levels of quality superior service management, robust information security practices and mature business continuity management. In FY 2021 the Company successfully completed the annual ISO 27001:2013 (ISMS) surveillance audit. We have strengthened our Information and Cyber Security posture and other risk measures to mitigate potential threats, risks and challenges. Security of customer data considered as a paramount importance for the organization. We have also sustained compliance with respect to various applicable laws and regulations from RBI, NHB, CERT-IN in terms of Technology, BCM and Information Security Guidelines.

We believe in skill development for staff and this also been a focus area and various e-learning modules on Technology and other Business areas are enabled for employees via online trainings and mobile applications. We have also adopted Defence in Depth approach to safeguard client information.

Best security controls/best practices are in place to safeguard client information. This includes Next Generation Firewall to secure the network perimeter, Web application Firewall to protect the web applications from security attacks, Brand Protection to protect the abuse of the IIFL brands, DNS Security services to prevent threats to IIFL from DNS levels, Monthly Security Patching of Servers to protect systems from known vulnerabilities, Next Generation Antivirus, Anti-Phishing solutions implemented to protect users from phishing attacks, restricted Endpoint system Accesses and MDM Solutions. Regular VAPT Assessments are done for proactive identification of vulnerabilities in systems and business applications. Robust Business Continuity Framework is in place to manage continuity of business operations during disaster situation.

Sustainability initiatives

We have also formulated ESG Framework which aims at integrating environmental, social, and governance considerations within our business operations. Our sustainability journey is governed by '*Complete Profitability – an ESG initiative*, which is our DNA and a reflection of the 'impact' made through its initiatives towards enrichment and growth of its four pillars of success i.e., Employees, Organization, Society and Environment. The company acknowledges and embraces the United Nations Sustainable Development Goals (UN SDGs) and have aligned its efforts with 4 of the 17 UN SDGs. We believe in being affordable, accessible and sustainable in everything we do. In furtherance of this, we have launched various programmes such as Kutumb and Green Value Partner.

'Kutumb' is a knowledge-sharing platform to create awareness about sustainable development in affordable housing sector in India. It is a thought and a vision of sustainable good living for tomorrow. It brings together designers, architects, green building certification agencies, financial institutions, technology providers and developers for exchange of information and reduction of perceived risks to spearhead inclusion of sustainable design and technology in affordable housing sector.

Green Value Partner – a concept to certification program, is an initiative that supports *'Kutumb'* by partnering with the developers and by hand-holding and supporting them across all stages of the project's lifecycle so as to achieve the desired green rating certification. Under GVP, initiative we have 38 green building project under management as of now.

In March 2021, our company unveiled a Green Handbook for affordable green housing, *'IIFL Home Loans' Building Green – Guide to Sustainable Affordable Housing'*. It is conceived by IIFL and renowned architect Ashok B. Lall. The handbook provides housing loan consumers, builders and the construction ecosystem with a suggestive framework for building green housing. The handbook provides step-by-step guidance on understanding green rating systems in India and integrated design. This handbook is the company's contribution towards green affordable housing in India.

Intellectual Property

Our intellectual property includes licenses and domain registrations associated with our business. Our Company has entered into a trademark license agreement with IIFL Securities Limited dated April 12, 2021. Pursuant to which, IIFL Securities Limited has granted our Company with a non-exclusive right and license to use the trademark, service mark and logos pertaining to "IIFL". The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the trademark license agreement.

Marketing

Given the demographics and spread of our target audience, we connect with prospective customers through our local outreach and social media efforts and engagement. We undertake activities such as local market activations, local branding and promotional activities through wall paintings, RWA activations, branch branding, etc. Additionally, we also provide branded merchandise to our partners/salesforce to create a stronger recall with the target audience.

We use our social media handles extensively to communicate and engage with our prospective/existing customers for promoting our services and offerings. We use the handles also for updating customers regarding any new product or service offering. In addition to social media, our website is used extensively for sourcing of new leads/business at a lower cost.

We also extensively utilise public relations initiatives to create awareness amongst our target audience and stakeholders, which aids in creating a stronger goodwill and brand equity in the market.

Competition

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs, small finance banks as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, interest rates, fees and customer service, turnaround time and simple, transparent and efficient loan process as well as for skilled employees, with our competitors.

See "Risk *Factors – Internal Risk Factors - The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business and results of operations.*" on page 37.

Insurance

Our Company has insured its various properties and facilities against the risk of fire, burglary, breakdown of office equipment, risk of financial loss due to fraud and other perils including public liability which covers the legal liability arising out of third party bodily injury or third-party property damage in company premises. Our Company has obtained money policy to cover "money in safe and till counter and money in transit" for the branches and various offices.

Our Company also has in place a group mediclaim policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

For a discussion of certain risks relating to our insurance coverage, please refer to the section titled "*Risk Factors" - Internal Risks and Risks Associated with our Business - Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position."* on page 36.

Employees

As of March 31, 2021 we had 1,770 employees. We have a young workforce with an average age of 34 years. We recruit after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. Our learning and development programs and a third party application help our employees build their skills, in the most suitable and easy of bite-sized-learning on the fly, helping them in their transformation journey. This is in addition to the mandatory trainings that all our employees undergo every year, which includes training on anti-money laundering, data security, prevention of sexual harassment, anti-corruption, etc. Because of our open, inclusive workplace culture, policies and employees at large, we are Great Place to Work® certified consistently for the past three years.

The following table sets forth the function wise split of our employees, as of March 31, 2021:

Function	Number of employees
Sales	1083
Credit	181
Legal and technical	83
Collections	199
Operations	61
Support function	163
Total	1,770

Corporate Social Responsibility

The Corporate Social Responsibility ("CSR") Committee of the Board has formulated and recommended to the Board a CSR Policy indicating the CSR activities which can be undertaken by the Company. The CSR projects of the Company are steered by the same values that guide the business of IIFL Group Companies. Most of the activities are undertaken through India Infoline Foundation (generally referred to as "**IIFL Foundation**"), a CSR arm of the IIFL Group. On the social front, IIFL Foundation (the CSR arm of the group) has undertaken many initiatives for community welfare. By applying these values to the CSR projects, Home Finance Limited undertakes initiatives that empower underprivileged sections of society and create sustainable growth. The focus area of the Company has been Literacy initiative for Females, Crèche cum Learning Facility for children of labourers at Construction site, Support to Educational Research Programs, Fight against outbreak of COVID-19 pandemic, Promoting Education of the under privileged Livelihood. During the last Fiscal, the Company made a contribution of ₹ 5 million to the PM Cares Fund.

We have incurred ₹79.06 million, ₹63.48 million and ₹36.05 million in Fiscals 2021, 2020 and 2019 on various CSR activities.

Set forth below are details of some of our key CSR initiatives:

Project	States	Project Focus
Fiscal 2021		
Sakhiyon ki Badi	Rajasthan	Through IIFL Foundation
Chouras – learning centre for children of construction workers	Uttar Pradesh	Through IIFL Foundation
Community Schools – Seva Kutir	Madhya Pradesh	Through IIFL Foundation
International Foundation for Research and Education	India	Through IIFL Foundation
Digital Learning Tools	Rajasthan	Through IIFL Foundation
Livestock Development Programme	Karnataka	Through IIFL Foundation
Environmental Sustainability Initiatives	Uttar Pradesh, New Delhi	Direct
Fiscal 2020		
Eradicating child illiteracy - education	Rajasthan	Through India Infoline Foundation
Financial literacy	West Bengal	Through India Infoline Foundation
Environmental sustainability	Gujarat, Karnataka, Telangana	Direct
Health initiative- arogya	Rajasthan	Through India Infoline Foundation
Livestock development programme	Rajasthan, Karnataka	Through India Infoline Foundation
Water conservation	Maharashtra	Through India Infoline Foundation
Disaster relief	Odisha	Through India Infoline Foundation
Covid 19	India	Through India Infoline Foundation
Fiscal 2019		
Chouras – learning centre for children of construction workers	Uttar Pradesh, Maharashtra	Through India Infoline Foundation
Eradicating girl child illiteracy - education	Rajasthan	Through India Infoline Foundation
Health initiative- hearing aid	Maharashtra	Through India Infoline Foundation
Health initiative- health support to poor farmers	Uttar Pradesh, Maharashtra	Through India Infoline Foundation
Financial literacy and inclusion	West Bengal	Through India Infoline Foundation
Water conservation	Maharashtra	Through India Infoline Foundation
Education support to children from slums	Maharashtra	Through India Infoline Foundation

Properties

Our registered office, which is located at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India, is on leased premises, and our corporate office which is located at Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122 015, India, has been taken on a leave and license basis. As of March 31, 2021, we conducted our operations through 125 branches and the premises of all our branches have been taken on a lease or leave and license basis.

HISTORY AND MAIN OBJECTS

Corporate Profile

Our Company was incorporated under the provisions of the Companies Act, 1956 on December 26, 2006, under the name of India Infoline Housing Finance Limited. Its name was changed to 'IIFL Home Finance Limited' pursuant to fresh certificate of incorporation dated May 2, 2018, issued by the Registrar of Companies, Maharashtra, Mumbai. It is registered with the NHB as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. The NHB registration no. before change of name of IIFL Home Finance Limited was 02.0070.09 dated February 3, 2009. The IIFL Home Finance Limited has been notified as a financial institution under SARFAESI Act vide Government notification dated June 23, 2010. For details regarding our Promoter see, "*Our Promoter*" beginning on page 129.

Our Company is primarily engaged in providing mortgage loans, which includes housing loans, secured business loan and developer loans. The Housing loans include finance for purchase of residential property like flats, independent houses, construction of pre-owned houses, extension and/ or improvement in the existing/house and for acquiring residential plot of land (which are intended to be used for construction of houses). Secured business loans is availed for, working capital requirements, for business and purchase of commercial property.

Change in registered office of our Company

The registered office of our Company was initially changed from Building No. 75, Nirlon Complex, off Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra, India to IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 with effect from April 24, 2010.

The Registered office of the Company was subsequently changed from IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 to 12A-10, 13th Floor, Parinee Crescenzo, C-38 & 39, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, with effect from June 18, 2013. Further, it was changed to IIFL House, Sun Infotech Park, Road no. 16V, Plot no. B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400604 with effect from April 15, 2019.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

a. To carry on the business of providing finance to any person or persons, company or corporation, society or association of persons with or without interest and with or without any security for the purpose of enabling such borrower to construct/purchase any house, flats or buildings or any part or positions thereof for residential or commercial purposes on such terms and conditions as the company may deem fit and to also provide finance to persons engaged in the business of construction of houses, flats or buildings for residential or commercial purposes to be sold by them by way of hire purchase or on deferred payment or other similar basis upon such terms and conditions as the company may think fit and proper.

b. To provide finance for enlargement, repairs or improvement of any residential or commercial property or any part or portions thereof on such terms and conditions as the company may deem fit.

c. To provide the services in the nature of distribution channel of various loan products and enter into agreement with existing financial and other service providers, so as to provide a full suite of customized financial services to the customers including the origination of loan, processing the application, collection of loan instalment from customer etc.*

d. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.**

e. To undertake various consultancy services on fee, commission basis or otherwise such as fund arranger, consultancy/advisory in financial matters, software development, marketing, advertising and other promotional activities, market making, brand building exercise, online or otherwise, for the entities incorporated in or outside India and to undertake such other activities identical and/or incidental thereto. #

**Altered via special resolution passed in the extraordinary general meeting dated February 12, 2016.*
***Altered via special resolution passed in the extraordinary general meeting dated August 11, 2016.*
 # Altered vide special resolution passed by the members in the extraordinary general meeting dated 28 September 2020.

Key terms of Material Agreements and Material Contracts

Other than the below-mentioned agreements, our Company has not entered into material agreements and material contracts which are not in the ordinary course of business, in the last 2 (two) years.

i. Slump sale of Mortgage Loan Business to IIFL Home Finance Limited

The Company entered into a business transfer agreement dated June 29, 2019 ("**BTA**") with IIFL Finance Limited (formerly known IIFL Holdings Limited) ("**IIFL Finance**") pursuant to the IIFL Finance's decision to exit the line of business. Our Company took over the housing finance loan and loan against property business of the IIFL Finance, as a going concern by way of a slump sale.

Under the BTA the seller shall in one or more tranches:

i. Transfer and deliver all such assets comprising the business undertaking;
ii. Deliver all the employee information and offer employment and retention benefits to the employees and inform them of the transfer of their employment to our Company;
iii. Transfer the outstanding credit enhancement obligations to the Company, assignment of receivables and non-performing assets under the customer contracts;
iv. Service provider contracts would be assigned and where consent is received letters of novation would be executed;
v. All collection and pay out services would be transferred to our Company; and
vi. Clean-up call option would be transferred to our Company.

The transfer of outstanding credit enhancement obligations, service provider contracts, collection and pay out services would require consent to be taken by the parties from the assignees, trustees, investors, service providers and such other parties involved. On the receipt of such consent the letters of novation would be executed wherever required.

ii. Trademark License Agreement

The Company ("**Licensee**") entered in to a trademark license agreement dated April 12, 2021 ("**Trade License Agreement**") with IIFL Securities Limited ("**Owner/Licensor**"). Pursuant to such Trademark License Agreement, the Licensor has agreed to transfer non-exclusive rights and license to the Licensee and the Licensee shall continue to use the trademark, service mark and logos pertaining to "***IIFL Home Loan***", for a one-time fee payable to the Licensor, as set out therein. The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the Trademark License Agreement. Further, the Trademark License Agreement contains the customary provisions relating to the protection of the intellectual property, warranties, indemnities and termination.

Subsidiary Companies

Our Company does not have any subsidiary company.

Associate Company

Samasta Microfinance Limited is our Associate Company.

Awards and Accolades

During the year 2020, the Company received the following awards and accolades:

1. Best Affordable Housing Finance Company of the Year by ET Now;

2. Best Housing Finance Company of the Year by ET Now;

3. Developing Sustainable Strategies by ET Now;

4. Winner, Most Innovative Use of Social & Digital Media at 6th StratComm Asia Summit & Awards 2020 by Inventicon Business Intelligence;

5. Kutumb CSR Initiative of the Year at Global Marketing Excellence Awards 2020;

During the year 2021, the Company received the following awards and accolades:

1. Housing Finance of the Year by Global Real Estate Congress; and

2. Best BFSI Brands 2021 by The Economic Times.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the provisions of the Memorandum of Association, Articles of Association and the requirements of the applicable laws.

The Articles of Association of our Company require that our Board comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. As on date of this Draft Shelf Prospectus, our Company has six Directors, out of which one Director is an Executive Director and five Directors are Non-Executive Directors. Out of the five Non-Executive Directors, three are Independent Directors.

As on the date of this Draft Shelf Prospectus, the Company does not have a woman director on the Board. Intermittent vacancy of the woman director was caused due to resignation of Ms. Suvalaxmi Chakraborthy on the close of business hours on June 15, 2021. A woman director will be appointed in the Board within the timelines prescribed under the SEBI Listing Regulations.

The following table sets forth details regarding the Board as on the date of this Draft Shelf Prospectus:

Details relating to Directors as on the date of this Draft Shelf Prospectus

Name, Designation, DIN, Nationality, Occupation and Term of Appointment	Age (years)	Address	Date of Appointment	Other Directorships
Mr. S Sridhar **Designation:** Chairman and Independent Director **DIN:** 00004272 **Nationality:** Indian **Occupation:** Professional **Term of Appointment:** Five Years w.e.f. April 1, 2019	70	D-905, Ashok Towers, Dr. S Rao Road, Parel, Mumbai – 400 012, Maharashtra, India.	Appointed as Additional Director on October 01, 2013, and was confirmed as Independent Director on May 20, 2014. Reappointed as Independent Director on March 22, 2019, w.e.f. April 1, 2019.	1. BSV Associates LLP 2. Jubilant Pharmova Limited 3. Strides Pharma Science Limited 4. Shriram Transport Finance Company Limited 5. Essfore Consultancy Services Private Limited 6. Sewa Grih Rin Limited 7. Evyavan Capital Advisors Limited 8. Evyavan Capital Limited 9. Evyavan Asset Management Limited 10. Strategic Research And Information Capital Services Private Limited 11. GVFL Trustee Company Private Limited 12. Universal Trustees Private Limited 13. India Mortgage Guarantee Corporation Private Limited
Mr. Nirmal Jain **Designation**: Non-Executive Director **DIN**: 00010535 **Nationality:** Indian **Occupation:** Business	55	101-A, Ashok Guruprasad CHS Limited, Hanuman Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India	Appointed as Director since Incorporation i.e., 26 December 2006	1. IIFL Finance Limited 2. IIFL Wealth Management Limited 3. MNJ Consultants Private Limited 4. Pratham Education Foundation

Name, Designation, DIN, Nationality, Occupation and Term of Appointment	Age (years)	Address	Date of Appointment	Other Directorships
Term of Appointment: Retirement by rotation				
Mr. R. Venkataraman **Designation**: Non-Executive Director **DIN**: 00011919 **Nationality:** Indian **Occupation:** Service **Term of Appointment:** Retirement by rotation	55	604, Glen Heights, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra, India.	Appointed as Director since Incorporation i.e., 26 December 2006	1. IIFL Finance Limited 2. IIFL Wealth Management Limited 3. IIFL Asset Management Limited 4. IIFL Management Services Limited 5. IIFL Securities Limited 6. Orpheus Trading Private Limited
Mr. Kranti Sinha **Designation:** Independent Director **DIN:** 00001643 **Nationality:** Indian **Occupation:** Professional **Term of Appointment:** Five Years w.e.f. April 1, 2019	79	Flat No. 3, 2nd Floor, Jeevan Sangram CHSL, Plot No.24, Sector 2, Charkop, Kandivali (West), Mumbai-400067, Maharashtra, India.	Appointed as Additional Director on October 01, 2013, and was confirmed as Independent Director on May 20, 2014. Reappointed as Independent Director on March 22, 2019, w.e.f. April 1, 2019	-
Mr. Monu Ratra **Designation**: Executive Director & Chief Executive Officer **DIN**: 07406284 **Nationality**: Indian **Occupation**: Professional **Term of Appointment:** Five Years w.e.f. January 28, 2021	48	E194, The Icon, DLF Phase V, Gurgaon, Haryana 122002	Appointed as Additional Director & Executive Director on January 28, 2016 and was appointed as Director on February 12, 2016 by the shareholders. Reappointed as Director on January 28, 2021	1. Samasta Microfinance Limited
Mr. A. K. Purwar **Designation:** Independent Director **DIN:** 00026383	75	C-2303/4, Flr-23, Ashok Tower, Dr SS Rao Road, Parel, Mumbai – 400 012, Maharashtra, India.	Appointed as Additional (Independent) Director on August 22, 2019. Regularized as	1. Alkem Laboratories Limited 2. Jindal Steel and Power Limited 3. IIFL Finance Limited 4. Balaji Telefilms Limited 5. Energy Infratech Private Limited 6. ONGC Tripura Power Company

Name, Designation, DIN, Nationality, Occupation and Term of Appointment	Age (years)	Address	Date of Appointment	Other Directorships
Nationality: Indian **Occupation:** Professional **Term of Appointment:** Five Years w.e.f. August 22, 2019			Independent Director on September 27, 2019 by the Shareholders	Limited 7. Mizuho Securities India Private Limited 8. Eroute Technologies Private Limited

Profiles of Directors

Srinivasan Sridhar is the Chairman and an Independent Director on our Board of Directors. He holds a bachelor's degree in science from Bangalore University and a master's degree of science in physics from the Indian Institute of Technology, Delhi. He has previously worked in the banking and finance industry and has held several positions in retail, corporate, and export / import banking, including as the chairman of the National Housing Bank and Central Bank of India. While he was chairman and managing director of the National Housing Bank, he was responsible for a number of initiatives, such as the NHB Residex, Rural Housing Fund, and Reverse Mortgage for senior citizens. Prior to this, he was associated with the Export Import Bank of India as executive director. He is a certified associate of the Indian Institute of Bankers and was conferred with honorary fellowship of the Indian Institute of Banking and Finance in recognition of his contribution in the field of banking and finance.

Nirmal Jain is a Non-Executive Director on our Board of Directors and was one of the first Directors of our Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited. He founded IIFL group in 1995. It started as an independent equity research company in India. Over the last 25 years, he has led the expansion of the group, while remaining focused on financial services. The group through four listed entities, has leading presence in India's Wealth & Asset management, consumer lending, securities trading & discount Broking spaces. With an impeccable track record of governance and growth, the group has attracted marquee investors and won accolades internationally. He is currently also the chairman of IIFL Finance Limited, the promoter of our Promoter.

Venkataraman Rajamani is a Non-Executive Director on our Board of Directors. He holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in July 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the group over the past 21 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW. He worked as an Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 29 years in the financial services sector. He is currently also the managing director and one of the promoters of our Promoter.

Kranti Sinha is an Independent Director on our Board of Directors. He has significant experience in the insurance and housing finance industries. In the past, he served as the director and chief executive of LIC Housing Finance Limited, while concurrently serving as the managing director of LICHFL Care Homes Limited. He was also the deputy president of the Governing Council of the Insurance Institute of India and was a member of the Governing Council of the National Insurance Academy.

Monu Ratra is an Executive Director on our Board of Directors and is the Chief Executive Officer of our Company. He holds a bachelor's degree in architecture from Guru Nanak Dev University and a master's degree in Post Graduate Diploma in Management from Lal Bahadur Shastri Institute of Management, Delhi. He has significant experience in the financial services industry. Prior to joining our Company, he worked with Indiabulls Housing Finance Limited as national business manager where he was responsible for setting up, and managing, the retail home loan business along with the home equity business. He has also previously worked with ICICI Bank Limited and HDFC Bank Limited.

Arun Kumar Purwar works as Chairman of Eroute Technologies Private Limited, a fintech Co. He also works as an Independent Director in Companies across diverse sectors like power, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ("SBI") from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and has been associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the CEO of the year award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006.

Other understandings and Confirmations

No Director of our Company is a director or is otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors have been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

None of our Directors have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Compensation of Directors

The Nomination and Remuneration Committee ("**NRC**") determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. The whole-time Directors of our Company are interested to the extent of remuneration paid for services rendered, if any, as an officer or employee of our Company. The Non-Executive Non-Independent Directors are not paid any sitting fees and commission. Pursuant to a resolution passed by our Board of Directors at their meeting held on May 6, 2015, sitting fees payable to Non-Executive Independent Directors for attending the meetings of the Board and Committees are, as under:

Meeting	Amount (in ₹)
Board meeting	30,000
Audit Committee meeting	30,000
Other Committees except CSR committee	30,000
CSR committee	Nil

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites) pertaining to the last three Fiscals which has been paid to the existing Directors by our Company:

(₹ in million)

Name	Fiscal 2021	Fiscal 2020	Fiscal 2019
Monu Ratra	28.13	48.48	42.60
Kranti Sinha	0.57	0.48	0.39
Srinivasan Sridhar	1.69	1.51	1.30
Suvalaxmi Chakraborty**	1.45	0.91	0.06
Arun Kumar Purwar*	0.33	0.12	-

**Arun Kumar Puwar was not paid any remuneration in Fiscals 2019 , since he was appointed as a Director on our Board on August 22, 2019.*

*** Suvalaxmi Chakraborty resigned as an Independent Director on June 15, 2021*

Our Directors have not received any remuneration from Associate companies.

Details of the appointment and remuneration of the Whole Time Director

The terms of remuneration of the Executive Directors are as below:

1. Monu Ratra

Monu Ratra was appointed as the CEO and Executive Director of our Company pursuant to the resolution passed of our Board on January 28, 2016. His appointment was confirmed by the Shareholders pursuant to their resolution dated February

12, 2016, for a period of five years. The Board of Directors approved his re-appointment for a further period of 5 years in its meeting held on January 23, 2021, as his term was expired on January 27, 2021. Further, the Members of the Company confirmed his re-appointment w.e.f January 28, 2021, at their extra ordinary general meeting held on January 28, 2021. The current terms of his appointment are detailed below:

Particulars	Terms of Remuneration
Basic Salary (w.e.f. January 28, 2021)	Upto ₹ 3,00,00,000 p.a.
Benefits, perquisites and allowances	In addition to above, he shall be entitled to claim reimbursement of expenses on account of home furnishing, residence telephones, entertainment, professional development and travelling, reimbursement of the education expenses of his children and other and other medical expenses incurred in the normal course of Company's business, medical expenses incurred for self and his family, including premium for medical insurance. Other benefits shall be subject to maximum of ₹ 4,95,000 per month.
Bonus/Performance Linked Incentive/Commission	As permissible under the Companies Act, 2013 and as determined by the Board and Nomination and Remuneration Committee from time to time. In additional, he shall be eligible for contribution to the provident funds, gratuity and superannuation and leave encashment as per rules of the Company.
Performance Bonus	During Fiscal 2021, he was paid performance bonus of ₹ 1,07,00,004
Other terms of appointment	i. He shall not be paid any sitting fee or any other salary for attending meeting of the Board of Directors or Committees thereof ii. In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Monu Ratra as a minimum remuneration, subject to provisions of the Companies Act, 2013.

Remuneration of Non-Executive and Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings). The Non-Executive Non-Independent Directors are not paid any sitting fees.

The following table sets forth all compensation paid by the Company to the Non-Executive Independent Directors for the Fiscal 2021, 2020 and 2019:

(₹ in million)

Name of Director	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Commission	Sitting Fees*	Commission	Sitting Fees	Commission	Sitting Fees
Mr. S. Sridhar	1.0	0.69	1.0	0.51	1.0	0.30
Mr. Kranti Sinha		0.57	-	0.48	-	0.39
Ms. Suvalaxmi Chakraborthy	1.0	0.45	0.67	0.24	-	0,06
Mr. Arun Kumar Purwar*	-	0.33	-	0.12	-	-

**Arun Kumar Puwar was not paid any remuneration is Fiscals 2019, since he was appointed as a Director on our Board on August 22, 2019.*

Terms of Appointment of Independent Directors

The Independent Directors were appointed in terms of the provisions of Section 149 of the Companies Act, 2013 and other relevant provisions of the Act. The Independent Directors shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Companies Act, 2013 and duties of directors as provided in the Act (including Section 166) as may be applicable from time to time.

The following are the terms and conditions for the Independent Directors of the Company:

1. Appointment

   Appointment will be for a term of five years from the date of appointment unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("Term"). Independent Director will not be liable to retire by rotation.

   Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Independent Director's re appointment would be considered by the Board based on the outcome of the performance evaluation process and Independent Director continuing to meet the independence criteria.

2. Role, duties and responsibilities:

As member of the Board, Independent Director along with the other Directors will be collectively responsible for ensuring the objectives of the Board which include:

a. The Company ensuring the requirements under the Companies Act, 2013
b. Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, if applicable
c. Accountability under the Directors' Responsibility Statement,
d. Overseeing the maintenance of high standards of company's values and ethical conduct of business,
e. Reviewing the business plan, model and monitoring the action plan,
f. Overseeing the Company's contribution to enhancing the corporate social responsibility
g. Act not in a manner that unfairly obstructs the functioning of the board and its committees
h. Strive to attend all meetings of the board and its committees.
i. Independent Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be applicable from time to time.

3. Time Commitment

Independent Director shall devote such time as is prudent and necessary for the proper performance of Independent Director's role, duties and responsibilities as an Independent Director.

4. Remuneration

a. Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees of which Independent Director are a member as fixed by the Board from time to time. In addition to the sitting fees, Independent Director may be eligible for commission as may be decided by the Board subject to the necessary approval of the shareholders of the Company.

b. Further, the Company may pay or reimburse the Independent Director such reasonable travel, hotel or other related expenditure, as may have been incurred by you while performing Independent Director's role in the Company. This could include reimbursement of expenditure incurred by Independent Director for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

5. Insurance

The Company has obtained Directors' and Officers' Liability Insurance policy and Independent Director will be covered under the same.

6. Code of Conduct

Independent Director agree to comply with the Code of Conduct for Non-Executive Directors (NEDs). For reference, the Code of Conduct for Non-Executive Directors is outlined below:

a. Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,

b. Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,

c. Non-Executive Directors will strictly safeguard the confidentiality of all information received by them by virtue of their position.

d. Unless specifically authorised by the Company, Independent Director shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

e. Independent Director obligation of confidentiality shall survive termination or cessation of Independent Director's directorship with the Company.

f. Applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, Independent Director shall not participate in any business activity which might impede the application of the Independent Director's independent judgment in the best interest of the Company. Independent Director are required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

7. Familiarization program

The Company shall, if required, conduct formal familiarization program for its Independent Directors.

8. Performance Appraisal / Evaluation Process

As a member of the Board, Independent Director's performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors.

The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

9. Disclosures, other directorships and business interests

During the Term, Independent Directors agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. Independent Director also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with Independent Director's existing directorships.

Further, Independent Directors are required to obtain prior consent of the Company in case Independent Director intents to join the board of any companies engaged in the same sphere of activities that of IIFL group.

During the term, Independent Director agrees to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect the status as an Independent Director.

10. Changes of personal details

During the term, Independent Director shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

11. Termination

The directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, the directorship may be terminated in case of violation of any provision of the Code of Conduct as applicable to Non-Executive Directors.

Independent Director may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by Independent Director in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect the status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, Independent Director agrees to promptly submit your resignation to the Company with effect from the date of such change.

12. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on Independent Director's part during the Term, Independent Director agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

13. Miscellaneous

This letter represents the entire understanding, and constitutes the whole agreement, in relation to Independent Director appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by Independent Director and the Company.

As per the provisions of the Companies Act, 2013, the terms along with Independent Director's detailed profile shall be disclosed on the website of the Company.

Relationship with other Directors

None of the Directors of our Company are related to each other. None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

Borrowing powers of the Board

Pursuant to resolution passed by the shareholders of our Company at their meeting held on November 12, 2018, in accordance with provisions of section180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 1,90,000 million (Rupees One lakh ninety thousand million only), provided that the total amount so borrowed shall be within the limits as prescribed under the NHB Directions.

Interest of Directors

None of our Directors has been paid any consideration of any nature from our Company, other than their remuneration and sitting fees as highlighted above.

Further, other than Monu Ratra who is interested in our Company by virtue of his shareholding in our Company as a nominee shareholder, no other Director has any other interest in our Company. For further details see related party transaction in the chapter "*Financial Statements*" on page 144.

Our Directors do not have any interest in any transaction relating to property completed by our Company within the two years preceding the date of filing of this Draft Shelf Prospectus, or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Other than Mr. Nirmal Jain and Mr. R. Venkataraman, who are interested in our Company by virtue of their shareholding in IIFL Finance Limited (formerly known as IIFL Holdings Limited) being the directors of IIFL Finance Limited (formerly known as IIFL Holdings Limited), none of the Directors are interested in connection with the promotion of our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

All our directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as otherwise stated in this Draft Shelf Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Shelf Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements and which may be entered into with them.

Some of the Directors may be deemed to be interested to the extent of any loans or advances provided to, or received from, any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

As of March 31, 2021, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

Additionally, some of our Directors have an interest in other ventures and hold directorship in the following companies, which are involved in any activities similar to those conducted by our Company:

Sr. No	Name of Director	Directorship in other Companies which have similar business activities
1.	Mr. S. Sridhar	1. Sewa Grih Rin Limited 2. Shriram Transport Finance Company Limited
2.	Mr. Nirmal Jain	IIFL Finance Limited
3.	Mr. R. Venkataraman	IIFL Finance Limited
4.	Mr. Monu Ratra	Samasta Microfinance Limited
5.	Mr. A. K. Purwar	IIFL Finance Limited

Shareholding of Directors, including details of shares held by Directors as on the date of this Draft Shelf Prospectus:

Name of Directors	Shareholding
Mr. S. Sridhar	-
Mr. Kranti Sinha	-
Mr. Arun Kumar Purwar	-
Mr. Nirmal Jain	-
Mr. R. Venkatraman	-
Mr. Monu Ratra*	100 equity shares

** Mr. Monu Ratra holds 100 equity shares of the Face Value of ₹ 10 each as a nominee of IIFL Finance Limited (formerly known as IIFL Holdings Limited).*

As on March 31, 2021, none of our Directors hold any qualification shares in our company.

Other than as stated below, none of our Directors hold any Equity Shares as on the date of this Draft Shelf Prospectus:

Name of Director	Number of Equity Shares held
Monu Ratra*	100

** Equity Shares held as a nominee of IIFL Finance Limited (formerly known as IIFL Holdings Limited).*

Debenture holding of directors

As on the date of this Draft Shelf Prospectus, none of our directors hold any debentures of our Company.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. The Company is in compliance with applicable corporate governance norms.

As on the date of this Draft Shelf Prospectus, the Company does not have a woman director on the Board. Intermittent vacancy of the woman director was caused due to resignation of Ms. Suvalaxmi Chakraborthy on the close of business hours on June 15, 2021. A woman director will be appointed in the Board within the timelines prescribed under the SEBI Listing Regulations.

Appointment of any relatives of Directors to an office or place of profit

As on the date of this Draft Shelf Prospectus, our Company has not appointed any relative of our Directors to an office or place of profit.

Changes in the Directors of our Company during the last three years

The changes in the Board of Directors of our Company in the three years preceding the date of the Draft Shelf Prospectus are as follows:

Name, Designation and DIN	Date of Resignation/ Appointment	Director of the Company since (in case of resignation)	Remarks
Ms. Rajashree Nambiar **Designation:** Non-Executive Director **DIN:** 06932632	January 31, 2018	January 28, 2015	Resigned
Ms. Deepali Nair **Designation:** Additional Director DIN: 07392725	May 2, 2018	-	Appointed as Additional Director
Ms. Deepali Nair **Designation:** Additional Director **DIN:** 07392725	July 30, 2018	May 2, 2018	Resigned
Mr. Sumit Bali **Designation:** Non-Executive Director **DIN:** 02896088	June 23, 2020	August 1, 2018	Resigned
Ms. Suvalaxmi Chakraborty **Designation:** Independent Director **DIN:** 00106054	June 15, 2021	August 1, 2018	Resigned
Mr. S. Sridhar **Designation:** Chairman and Independent Director **DIN:** 00004272	April 1, 2019	-	Re-appointed as Independent Director
Mr. Kranti Sinha **Designation:**	April 1, 2019	-	Re-appointed as Independent Director

Name, Designation and DIN	Date of Resignation/ Appointment	Director of the Company since (in case of resignation)	Remarks
Independent Director **DIN:** 00001643			
Mr. A.K. Purwar **Designation:** Independent Director **DIN:** 00026383	August 22, 2019	-	Appointed as Independent Director
	September 27, 2019	-	Confirmed as Independent Director

Key managerial personnel of our Company

In addition to Monu Ratra, our CEO and Executive Director, following are the Key Managerial Personnel of our Company:

Amit Kumar Gupta is the Chief Financial Officer of our Company. He joined our Company with effect from April 15, 2015. Mr. Gupta was appointed as chief financial officer with effect from May 6, 2015. He holds a bachelor's degree in commerce from Delhi University. He is a Chartered Accountant. He also holds a diploma in information system audit from the ICAI. He secured the 43rd rank in the Final examination conducted by the ICAI. He has significant experience in the fields of financial services, accounting, audit, and compliance. He has previously worked with Satin Creditcare, Shubham Housing Development Finance and SMC Global Securities, among others. His gross remuneration for Fiscal 2021 was ₹ 6.26 million. He is a permanent employee of our Company.

Ajay Jaiswal is the Company Secretary and Compliance Officer of our Company. He joined our **Company** with effect from March 11, 2015 as Head Compliance. He was appointed as Company Secretary of the Company with effect from March 30, 2015. He is member of the Institute of Company Secretaries of India and a law graduate. Mr. Jaiswal holds a degree of Master of Business Administration from University of Delhi. He has significant experience in the fields of compliance, legal, secretarial, environment, social and governance and internal controls. He has previously worked with Edelweiss Housing Finance Limited, Habitat Housing Finance Limited, Deutsche Post Bank Home Finance Limited and Marvel Vinyls Limited. His gross remuneration for Fiscal 2021 was ₹ 6.40 million. He is a permanent employee of our Company.

Bonus or profit – sharing plan of the Key Managerial Personnel

As on the date of this Draft Shelf Prospectus, our Company does not have any bonus or profit sharing plan for our Key Managerial Personnel separately. The bonus plan is same as that of for other employees.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his employment in our Company.

Shareholding of our Key Managerial Personnel

Other than as stated below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Shelf Prospectus:

Names of Directors	Number of Equity Shares held
Monu Ratra*	100
Amit Kumar Gupta*	100

** Equity Shares held as a nominee of IIFL Finance Limited (formerly known as IIFL Holdings Limited).*

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

Audit Committee

The Audit Committee was constituted on October 23, 2009 and last re-constituted on May 13, 2019. The terms of reference of the Audit Committee were most recently revised on October 23, 2019. The members of the Audit Committee are:

Name of the member of the committee	Position on the committee	Designation
Srinivasan Sridhar	Chairman	Chairman and Independent Director
Kranti Sinha	Member	Independent Director
Venkataraman Rajamani	Member	Non-Executive Director
Suvalaxmi Chakraborty*	Member	Independent Director

** Suvalaxmi Chakraborty resigned as an Independent Director on June 15, 2021.*

The terms of reference of the Audit Committee are as follows:

a. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
b. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
c. Examination of the financial statement and the auditors' report thereon;
d. Approval or any subsequent modification of transactions of the Company with related parties;
e. Scrutiny of inter-corporate loans and investments;
f. Valuation of undertakings or assets of the Company, wherever it is necessary;
g. Evaluation of internal financial controls and risk management systems;
h. Monitoring the end use of funds raised through public offers and related matters;
i. Appointment of Internal Auditor.
j. The Audit Committee have such powers and it performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by Securities and Exchange Board of India, National Housing Bank and other regulators from time to time; and
k. The Audit Committee have such powers and it performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by National Housing Bank from time to time

Risk Management Committee

The Risk Management Committee was initially constituted on April 24, 2010, as the 'Risk Management and Asset Liability Management Committee'. The 'Risk Management and Asset Liability Management Committee' was then separately reconstituted as the separate Risk Management Committee and the Asset Liability Management Committee on October 24, 2013. It was last re-constituted on January 23, 2021. The terms of reference of the Risk Management Committee were most recently revised on October 23, 2019. The members of the Risk Management Committee are:

Name of the member of the committee	Position on the committee	Designation
Mr. Kranti Sinha	Chairman	Independent Director
Mr. S. Sridhar	Member	Chairman and Independent Director
Mr. Amit Kumar Gupta	Member	Chief Financial Officer
Mr. Govind Modani	Member	Head - Treasury
Ms. Abhishikta Munjal	Member	Chief Risk Officer

The terms of reference of the Risk Management Committee are as follows:

a. To identify the various types of risks involved in the business,
b. To define the methodology to measure / quantify the risks,
c. To control and mitigate the variety of risks involved in business,
d. To specify the risk tolerance of the Company,
e. To ensure regulatory and statutory compliance on risk management and prudential norms,
f. To improve the assets quality of the Company by using risk management tools,
g. To maximize the profit of the Company,
h. To maximize the return on equity with an acceptable level of risk, for the purpose of protecting, preserving and increasing the net worth of the Company.

Asset Liability Management Committee

The Asset Liability Management Committee was initially constituted on April 24, 2010 as the 'Risk Management and Asset Liability Management Committee'. The 'Risk Management and Asset Liability Management Committee' was then separately reconstituted as the separate Risk Management Committee and the Asset Liability Management Committee on October 24, 2013. It was last re-constituted on July 18, 2020. The terms of reference of the Asset Liability Management Committee were most recently revised on October 23, 2019. The members of the Asset Liability Management Committee are:

Name of the member of the committee	Position on the committee	Designation
Monu Ratra	Chairman	CEO and Executive Director
Nirmal Jain	Member	Non-Executive Director
R. Venkataraman	Member	Non-Executive Director

The terms of reference of the Asset Liability Management Committee are as follows:

a. liquidity risk management;
b. management of market risks;
c. funding and capital planning;
d. profit planning and growth projection; and
e. forecasting and analysing 'what if scenario' and preparation of contingency plans.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on January 28, 2015. The terms of reference of the Nomination and Remuneration Committee were most recently revised on October 23, 2019. The members of the Nomination and Remuneration Committee are:

Name of the member of the committee	Position on the committee	Designation
Kranti Sinha	Chairman	Independent Director
Srinivasan Sridhar	Member	Chairman and Independent Director
Venkataraman Rajamani	Member	Non-Executive Director

The terms of reference of the Nomination and Remuneration Committee are as follows:

a. identify persons who are qualified to become directors and who may be appointed in senior management recommend to the Board their appointment and removal;
b. carry out evaluation of every director's performance;
c. formulate the criteria for determining qualifications, positive attributes and independence of a director;
d. recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and
e. to devise policy on:
f. remuneration including any compensation related payments of the Directors, Key Managerial Personnel and other employees and recommend the same to the Board of the Company; and
g. Board diversity laying out an optimum mix of Executive, Independent and Non-Independent Directors keeping in mind the needs of the Company.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on March 29, 2014 and last re-constituted on July 18, 2020. The terms of reference of the Corporate Social Responsibility Committee were most recently revised on October 23, 2019. The members of the Corporate Social Responsibility Committee are:

Name of the member of the committee	Position on the committee	Designation
Venkataraman Rajamani	Chairman	Non-Executive Director
Monu Ratra	Member	CEO & Executive Director
Kranti Sinha	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee are as follows:

a. consider any matters relating to the social, charitable, community and educational activities, expenditures and related publications of the Company and its subsidiary companies that it determines to be desirable. In addition, the CSR Committee shall examine any other matters referred to it by the Board.
b. maintain the Company's CSR policy framework (e.g. environment, human rights and responsible business conduct) in line with best practice and the appropriate international standards and guidelines;
c. receive reports and review activities from executive and specialist groups managing CSR matters across the Company's operations; and
d. consider and propose an annual budget for CSR activities to the Board.

Finance Committee:

The Finance Committee was constituted on May 13, 2014 and last re-constituted on July 18, 2020. The terms of reference of the Finance Committee were most recently revised on August 8, 2019.

The members of the Finance Committee are:

Name of the member of the committee	Position on the committee	Designation
Monu Ratra	Chairman	CEO and Executive Director
Venkataraman Rajamani	Member	Non-Executive Director

The terms of reference of the Finance Committee are as follows:

a. To determine and approve timing, nature, type, pricing and such other terms and conditions of the issue of Debenture including coupon rate, minimum subscription, retention of oversubscription, if any and early redemption thereof;
b. To borrow funds for meeting short term requirement of funds of the Company by issuing Commercial papers.
c. To buyback commercial papers;
d. To invest funds of the Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund, security receipts, securities, etc. taking into consideration all investment parameters subject to such amount and limits as provided in the Investment policy of the Company and any amount above this said amount shall require approval of Board at its Board meeting;
e. To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;
f. To enter into derivative transactions viz. Generic and/or Structured derivate shall not have any naked position;
g. To enter into security trustee Agreement for bank borrowing;
h. To enter into securitization/assignment transaction/s in the name of Company in terms of extant Guidelines on Securitization;
i. Opening, closing and operations of various bank accounts from time to time;
j. To avail various added services form bank accounts or operation of account(s) held with the Banks including but not limited to cash management services, internet banking, operations of accounts by fax or such other mode as may be feasible from time to time;
k. To approve and make changes to the Draft Prospectus, to approve the final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
l. To all other matters relating to the issue of debentures and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient, extension of Issue and/or early closure of the Issue.
m. To borrow funds for and behalf of the Company up to maximum amount as determined by the Board of Directors of the Company from time to time and to create mortgage, charge, hypothecation or any other security on the assets/receivables, present or future of the Company in connection with borrowing availed/to be availed by the Company.
n. To authorize various persons from time to time for various operational purposes including signing of master loan agreements, loan documents, subscription agreement, escrow agreements, security documents, term sheets, non-disclosure agreement, other agreements, sanction letter, power of attorney. plaints, notices, applications, documents, submissions, instructions, etc.;
o. To authorize various persons from time to time to sanction loans under various financial products and matters pertaining to credit, risk, release of collateral, sale of collateral, signing and execution of loan document, etc.;
p. To authorize various persons from time to time to sign the Vakalatnamas, Plaints, Applications, Replies, Written Statements, Affidavits and other paper/documents in the legal proceedings, appeals etc. filed by the Company or against the Company and to appear before the Court, Tribunal and other Judicial/Quasi-Judicial bodies, Local Authority and other Government Authorities;

q. To avail guarantee from companies, body corporates and any person from time to time in connection with a loan, financial assistance, etc. availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc.;
r. To avail security from Companies, body corporates and any person from time to time to be provided as collateral/security in connection with a loan, financial assistance, etc. availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc.;
s. To offer assurances on behalf of other Companies, body corporates and any person from time to time, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Bank, Financial Institution. Non-Banking Financial Companies, other body corporates etc., upto such limit, if applicable, as delegated/ decided by the Beard from time to time;
t. To authorize various persons from time to time to sign and execute applications, documents and agreements related to lease, rent, telephone connection, electricity connection, shops and establishment license, trade license, road permit and Internet and broadband connection, opening of new branches and other operational matters in the ordinary course of business of the Company or incidental or in connection thereto.
u. To authorize various persons from time to time to act as a representative of the Company in respect of a) the investments in shares, securities, debentures, instruments, etc. held by the Company and b) companies to which Company is a creditor and to do the following:
    i. To attend the general meetings & meetings of the creditors;
    ii. To sign proxy form, postal ballot form, shorter consent notice, consent for dispensation from holding meeting in case of Merger and Amalgamation and other documents;
    iii. To exchange correspondence & communication with the Investee companies, companies to which the Company is a creditor;
    iv. Approving the request of transfer and transmission of securities of the Company; and
    v. Approving the request for issue of duplicate Security certificate, split Security certificates, etc.
v. To do all such acts, deeds and things which the Board is empowered to do as per Section 42 of the Companies Act, 2013 read with rules framed thereunder, as may be necessary or expedient, from time to time.
w. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue.
x. To authorize various persons from time to time under Income Tax Act, Goods and Services Tax and other taxation laws.
y. To authorize various persons from time to time to sign and execute various agreements, papers, documents, undertakings. letters, memorandum of understanding, applications, statements, submissions, etc. including any modification of the above, and other necessary documents, for and on behalf of the Company, as may be required in the ordinary course of business of the Company.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, see "*Financial Statements*" beginning on page 144.

OUR PROMOTER

Profile of our Promoter

Our Promoter is IIFL Finance Limited (formerly known as IIFL Holdings Limited). Our Promoter was incorporated at Mumbai on October 18, 1995, as a private limited company with the name Probity Research & Services Private Limited under the provisions of the Companies Act, 1956. The status of our Promoter was changed to a public limited company and the name was changed to Probity Research & Services Limited pursuant to a fresh certificate of incorporation dated on April 28, 2000, issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Promoter was subsequently changed to India Infoline.Com Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on May 23, 2000. The name of our Promoter was further changed to India Infoline Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on March 23, 2001. Thereafter, the name of our Promoter was changed to IIFL Holdings Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on February 18, 2014. Thereafter, the name of our Promoter was changed to IIFL Finance Limited and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on May 24, 2019. Our Promoter has obtained a Certificate of Registration dated March 06, 2020, bearing Registration No. N-13.02386 issued by the Reserve Bank of India ("**RBI**") to commence the business of a non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Promoter is a Systemically Important Non-Deposit taking Non- Banking Finance Company ("**NBFC**"). There has been no change in the control or management of our Promoter in the three years preceding the date of this Draft Shelf Prospectus.

The registered office of our Promoter is situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India.

The equity shares of our Promoter are currently listed on BSE and NSE.

Our Promoter is a Systemically Important Non-deposit taking Non-Banking Financial Company ("**NBFC-ND-SI**") registered with the RBI, catering to the credit requirements of a diverse customer base with its plethora of products. Its offerings include home loans, gold loans, business loans including loans against property and medium and small enterprise financing, micro finance, construction and real estate finance and capital market finance; catering to both retail and corporate clients.

Details of any reorganization or reconstruction of our Promoter in the last one year

The Board of Directors of our Promoter in its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst the Promoter, India Infoline Finance Limited ("**India Infoline**"), India Infoline Media and Research Services Limited ("**IIFL M&R**"), IIFL Securities Limited ("**IIFL Securities**"), IIFL Wealth Management Limited ("**IIFL Wealth**"), IIFL Distribution Services Limited ("**IIFL Distribution**") and their respective shareholders, under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**"). The Scheme was filed with the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"), and our Promoter received an observation letter from NSE on September 11, 2018 and September 27, 2018; and from BSE on September 14, 2018 and September 28, 2018. The proposed Scheme was then filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") on October 01, 2018, pursuant to which the Hon'ble NCLT directed our Promoter to hold a meeting of its equity shareholders on December 12, 2018. The equity shareholders of our Promoter at the NCLT convened meeting on December 12, 2018, and approved the Composite Scheme of Arrangement with requisite majority. The Hon'ble NCLT vide its order passed on March 07, 2019, sanctioned the Composite Scheme of Arrangement and our Promoter received the order on March 15, 2019.

Further, the Board of Directors of the Promoter at its meeting held on May 13, 2019 approved the implementation of the Scheme except for merger of India Infoline Finance Limited with the Promoter.

Accordingly, following parts of the Scheme were implemented:

1. Amalgamation of IIFL M&R with the Promoter;
2. Demerger of the Securities Business Undertaking of the Promoter into IIFL Securities;
3. Demerger of the Wealth Business Undertaking of the Promoter into IIFL Wealth;
4. Transfer of the Broking and Depository Participant Business Undertaking of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis.

The Securities Business Undertaking, Wealth Business Undertaking and Broking and Depository Participant Business

Undertaking are defined in the Scheme and the Scheme can be accessed on the website of our Company i.e., www.iifl.com.

The appointed date for the amalgamation of IIFL M&R with our Promoter was opening hours of April 01, 2017 and for all the other steps, the appointed date was opening hours of April 01, 2018.

Pursuant to the Scheme, the name of our Promoter was changed from "IIFL Holdings Limited" to "IIFL Finance Limited" upon receipt of fresh Certificate of Incorporation dated May 24, 2019 issued by the Registrar of Companies, Mumbai and the Main Object of the Company was amended to carry on the lending business activity as of India Infoline.

Upon the Scheme coming into effect, 1,87,18,281& 4,50,00,000 equity shares of face value ₹ 10 each & ₹ 2 each respectively, held by our Promoter in IIFL Securities and IIFL Wealth respectively were extinguished and cancelled.

As consideration to the shareholders of the Promoter for the demerger of the Securities Business Undertaking and Wealth Business Undertaking, IIFL Securities issued and allotted 1 (One) fully paid up new equity share of ₹ 2 each of IIFL Securities for every 1 (One) equity share of ₹ 2 each of the Promoter; and IIFL Wealth issued and allotted 1 (One) fully paid up new equity share of ₹ 2 each of IIFL Wealth for every 7 (Seven) equity shares of ₹ 2 each of the Promoter on June 06, 2019 to the Shareholders of the Promoter holding equity shares on May 31, 2019 fixed as Record Date for the said purpose. Accordingly, 31,92,34,462 equity shares of ₹ 2 each of IIFL Securities and 4,56,04,924 equity shares of ₹ 2 each of IIFL Wealth were issued and allotted in aggregate to the Shareholders of the Promoter.

IIFL Securities and IIFL Wealth had filed their respective Listing Application with Stock Exchange(s) and the In principle approval for listing of equity shares of IIFL Securities and IIFL Wealth was received on August 13, 2019 (NSE) and August 21, 2019 (BSE) & August 19, 2019 (NSE) and August 21, 2019 (BSE) respectively. Accordingly, the shares of IIFL Wealth and IIFL Securities were listed on Stock Exchange(s) on September 19, 2019 and September 20, 2019 respectively.

The remainder of the Scheme, i.e. the amalgamation of India Infoline with our Promoter was pending its implementation for the receipt of requisite approval from the RBI for an NBFC license by the Company.

Our Promoter received the said NBFC License dated March 06, 2020, bearing Certificate of Registration No. N-13.02386 from the RBI to carry on the Non-Banking Financial Activity on March 11, 2020.

Thereafter, our Promoter decided to give effect to the merger of India Infoline and the Promoter with effect from March 30, 2020 with appointed date as April 01, 2018.

Consequently, the residual shareholders of India Infoline were allotted 5,86,54,556 shares of the Promoter on March 30, 2020 in the ratio 135 fully paid up equity shares of ₹ 2 each in the Promoter for every 100 shares of ₹ 10 each held in India Infoline. The said new shares got listed and admitted for trading w.e.f. April 27, 2020 in terms of final listing and trading approval received from NSE and BSE.

Interest of our Promoter

Except as stated under related party transactions in the section "*Financial Statements*" on page 144 and to the extent of its shareholding in our Company, our Promoter does not have any other interest in our Company's business.

Our Promoter does not have any interest in any transaction relating to property completed by our Company within the two years preceding the date of filing of this Draft Shelf Prospectus, or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

For details of Equity Shares allotted to our Promoter in the last three Fiscals, please see "*Our Promoter – Changes in Promoter's holding in our Company*" on page 133.

Details of outstanding bank facility guaranteed by Our Promoter:

(₹ in million)

Sr. No.	Bank Name	Nature of Facility	Sanctioned Amount	Outstanding Amount
1	Canara Bank	Term Loan	2,000.00	544.61
2	Karnataka Bank	Term Loan	1,000.00	166.10
3	National Housing Bank	Refinance	18,250.00	10,317.52
4	State Bank of India	Term Loan	2,000.00	227.21
5	Syndicate Bank	Term Loan	2,000.00	1,000.00
	Total		**25,250.00**	**12,255.43**

Other understandings and confirmations

Our Promoter has not been identified as a wilful defaulter by the RBI or any other governmental authority. Further, our Promoter has not been identified as a 'fugitive economic offender' in terms of Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Promoter, nor person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

Our Promoter is not in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

No violations of securities laws have been committed by our Promoter in the past or are currently pending against them. Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reason by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Our Promoter does not intend to subscribe to this Issue.

Common Pursuits of Promoters

Our Promoter is a systemically important non-deposit accepting NBFC, which is engaged in businesses similar to ours and this may result in potential conflict of interest with our Company.

For further details, see section titled "Risk Factors" at page 19

For further details on the related party transactions, to the extent up to which our Company is involved, see the section titled "*Financial Statements*" at page 144.

Equity share allotted to our Promoter in last three fiscal years:

The details relating to equity shares allotted to our Promoter in the last three fiscal years is disclosed under the "*Change in Our Promoter shareholding*" segment below.

Payment of benefit to the Promoter in last three years

Other than as disclosed under the "*Related Party Transactions*" segment of the Financial Statements of the Company, available at page 144 and other than the dividend declared and paid by our Company to our Promoter, the Company has not made payments of any benefits to the Promoter during the last three years preceding the date of this Draft Shelf Prospectus.

Details of shares pledged or encumbered by our Promoter

No shares have been pledged or encumbered by our Promoter as of the date of this Draft Shelf Prospectus.

Shareholding pattern of our Promoter as on March 31, 2021:

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstandig convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) =	(VIII) As a	(IX)				(X)	(XI)=	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	8	94,547,490	0	0	94,547,490	24.96	94,547,490	0	94,547,490	24.96	0	24.96	0	0	0	0	94,547,490
(B)	Public	37,386	284,293,186	0	0	284,293,186	75.04	284,293,186	0	284,293,186	75.04	0	75.04	0	0	NA	NA	284,020,395
(C)	Non Promoter - Non Public																	
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	NA	NA	0
	Total	**37,394**	**378,840,676**	**0**	**0**	**378,840,676**	**100.00**	**378,840,676**	**0**	**378,840,676**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**378,567,885**

Board of directors of IIFL Finance Limited:

1. Nirmal Bhanwarlal Jain, Whole Time Director;
2. Venkataraman Rajamani, Managing Director;
3. Vijay Kumar Chopra, Independent Director;
4. Geeta Mathur, Independent Director;
5. Nagarajan Srinivasan, Non-Executive Director;
6. Nilesh Shivji Vikamsey, Independent Director;
7. Mr. Chandran Ratnaswami, Non-Executive Director; and
8. Mr. Arun Kumar Purwar, Independent Director.

Details of the promoter of our Promoter

The promoter of our Promoter are:

1. Nirmal Bhanwarlal Jain;
2. Venkataraman Rajamani;
3. Madhu N. Jain;
4. Harshita Jain and Mansukhlal Jain (in their capacity as trustee of Nirmal Madhu Family Private Trust);
5. Aditi Avinash Athavankar (in her capacity as trustee of Kalki Family Private Trust); and
6. Aditi Athavankar.

Changes in Promoter's holding in our Company

Except as disclosed below, there have been no changes to our Promoter's shareholding as of March 31, 2021:

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / transfer price per Equity Share (₹)
September 30, 2009	Rights issue	5,000,000	Cash	10.00	60.00
November 24, 2010	Rights issue	3,400,000	Cash	10.00	200.00
December 30, 2015	Preferential allotment	1,818,181	Cash	10.00	550.00
March 9, 2016	Allotment pursuant to conversion of 6% compulsorily convertible preference shares	2,250,000	Other than cash	10.00	600.00
September 30, 2016	Rights issue	3,000,000	Cash	10.00	750.00
March 30, 2017	Rights issue(1)	2,000,000	Cash	10.00	800.00
November 30, 2018	Rights issue(2)	1,000,000	Cash	10.00	1,000.00

1. *Allotment of 2,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*
2. *Allotment of 1,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*

Details of Promoter's shareholding in our Company as on March 31, 2021

Name of Promoter	Total Number of Equity Shares held	Number of Equity Shares in demat form	Total shareholding as a percentage of total number of Equity Shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
IIFL Finance Limited	20,967,581	20,967,581	100.00	Nil	Not applicable

Interest of our Promoters in property, land and construction

Except as stated in the section titled *"Financial Statements"* at page 144, our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Promoter Group and persons acting in concert

In addition to the Promoters named above, the names of the persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(I)(zb) of the SEBI ICDR Regulations along with their shareholding as on March 31, 2021 are set out below:

Sr. No.	Name of Promoter Group	No. of Equity Shares	% Percentage
1.	Samasta Microfinance Limited	Nil	Nil

Except as stated in "***Our Promoter***", "***Capital Structure***", "***Our Management***" and "***Financial Statements***" on pages 129, 54, 114 and 144 respectively, no amounts or benefits have been paid or given or intended to be paid or given to our Promoter within the two years preceding the date of filing of this Draft Shelf Prospectus. As on the date of this Draft Shelf Prospectus, there is no bonus or profit-sharing plan for our Promoter.

REGULATIONS AND POLICIES

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Introduction - Registration as an HFC and generally applicable regulations

Our Company, being an HFC registered with the NHB, is primarily engaged in the business of providing loans and advances for housing activities.

The NHB was set up pursuant to the NHB Act, and as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. In terms of the NHB Act, the primary objectives of the NHB, *inter alia, include* (i) promotion and establishment, or aiding the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities; (iii) dealing in bills, promissory notes and other instruments; and (iv) formulating schemes for the mobilisation of resources and extension of credit for housing. In line with these objectives and in terms of the NHB Act, the NHB has issued the NHB Directions, which amongst others, set out matters relating to acceptance of deposits by HFCs, prudential norms for income recognition, accounting standards, provision for bad and doubtful assets, capital adequacy and concentration of credit and investments to be observed by the HFCs and matters ancillary and incidental thereto.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended, pursuant to the NHB Act Amendments, to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power (a) to determine the percentage of assets to be maintained in terms of its investments and purpose for appropriation of reserve fund; and (b) to regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 – IA, 45 -IB and 45 – IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

On June 17, 2020, the RBI released proposed changes to be undertaken in the regulatory framework for HFCs post the transfer of regulation of HFCs from NHB to the RBI with effect from August 9, 2019, for public comments ("**Draft Framework**"). These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio and securitisation.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**"). Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

However, issues in relation to the regulation of HFCs which were not covered in the Revised HFC Framework continue to be governed by the extant regulations issue by the NHB until detailed master directions are issued by the RBI.

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Definition of housing finance and housing finance company

In terms of the Revised HFC Framework, the RBI has established a revised criterion for defining 'housing finance companies' and has also introduced a definition of 'housing finance'. While under the NHB Directions, the term 'housing finance company' was defined as a company which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly, the Revised HFC Framework defines housing finance companies as companies engaged in the business of providing finance having (a) at least 60% of its total assets (netted off by intangible assets) as financial assets and; (b) at least 50% of total assets (netted off by intangible assets) as finance provided for housing to individuals. Further, the Revised HFC Framework also provides a phased manner of compliance with the above requirements for HFCs which were not compliant as on the date of the notification of the Revised HFC Framework and requires such non-compliant HFCs to submit a plan approved by its board of directors for fulfilling the timeline, within three months of the notification of the Revised HFC Framework. Further, in terms of the Revised HFC Framework, HFCs which are not able to meet the timeline will be treated as NBFC – Investment and Credit Companies ("**NBFC-ICC**") and would be required to approach the RBI for conversion of their certificate of registration from HFC to NBFC-ICC.

In terms of the Revised HFC Framework, "housing finance" has been defined as financing for purchase, construction, reconstruction, renovation or repairs of residential dwelling units including, *inter alia*, loans for purchase of dwelling units, loans to builders for construction of residential dwelling units and loans for purchase of dwelling units against mortgaging existing dwelling units.

Net owned fund

In terms of the Revised HFC Framework, HFCs are required to maintain a minimum net owned fund of ₹ 200 million to commence with the business of housing finance or continue as an HFC. The existing HFCs not fulfilling the minimum net owned fund criterion are required to achieve the net owned fund of ₹ 150 million by March 31, 2022 and ₹ 200 million by March 31, 2023.

Capital adequacy

As per the RBI Master Directions, we are required to maintain a minimum capital adequacy ratio, consisting of tier I capital and tier II capital. Currently HFCs are required to comply with a CRAR, consisting of tier I and tier II capital of not less than 13%, on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter, of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, tier I capital of HFCs cannot be less than 10%. Further, the total tier II capital at any point of time, should not exceed 100% of tier I capital.

Source of funds

HFCs can generally raise funds by way of borrowings or through equity. The sourcing of funds by HFCs is primarily regulated by the RBI, NHB, and SEBI. The limits on borrowings by HFCs are governed by the RBI Master Directions. The RBI Master Directions currently permit HFCs to borrow up to 14 times their net owned funds until March 31, 2021 and after which this limit shall be further reduced to 13 times of their net owned funds until March 31, 2022 and subsequently to 12 times of their net owned funds thereafter. Further, the NHB NCD Directions require HFCs to have in place a board approved policy for resource planning.

In accordance with the RBI Master Directions, the Company has put in place a board approved policy for resource planning ("**Resource Planning Policy**"). The Resource Planning Policy seeks to maintain a balance in the source of funds by borrowing from the debt capital market as well as traditional borrowings from banks and others, reduce the weighted average cost of borrowing by borrowing across multiple maturities, support disbursement growth by providing adequate liquidity, and proper balancing of asset and liability mismatch within the permitted tolerance level.

<u>*Term Loans:*</u>

In terms of the Master Circular – Housing Finance dated July 1, 2015 issued by the RBI, banks are permitted to grant term loans to HFCs considering (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including the other applicable regulatory guidelines.

*Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 (the "**PSL Master Directions**")*

The priority sector lending ("**PSL**") guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners' banks, licensed to operate in India.

The PSL Master Directions govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 2 million per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5,2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserviced sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies ("**NBFC**") can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

NHB Refinance

NHB offers refinance assistance to primary lending institutions ("**PLIs**") in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. HFCs registered with the NHB, being a PLI, are eligible to obtain refinance under NHB's various refinance scheme from time to time. The NHB provides such refinance assistance in terms of its various refinance schemes such as the regular refinance scheme, special urban housing refinance scheme for low income households and the affordable housing fund, each of which set out certain restrictions applicable to loans provided by the HFCs in terms of their loan size, tenure, location of property and the ultimate borrower in some cases. The terms of the re-finance assistance, such as the tenure and interest rate applicable is subject to eligibility of the loans under the respective schemes. For instance, while the regular refinance scheme provides for refinance assistance in respect of housing loans extended by HFCs for, amongst others, construction and purchase of dwelling units with no restrictions on loan size, location and the ultimate borrowers of such loans, the affordable housing fund includes eligibility conditions based on the annual household income of the borrowers depending on the location of the property being in urban or rural areas, as prescribed thereunder.

Other borrowings:

HFCs may also raise funds by way of a public or private issue of non-convertible debentures ("**NCDs**"). Such issue of NCDs is governed by the RBI Master Directions, which amongst others, includes eligibility requirements and conditions in relation to the credit rating and maturity of such NCDs, and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

The RBI issued the Draft Commercial Paper and NCD (RBI) Directions, 2020. All companies, including HFCs are eligible issuers under these directions. The commercial papers and NCDs are required to be issued in a dematerialised form and in minimum denominations of ₹ 500,000. The tenor of such NCD cannot be less than ninety days or more than one year and the tenor of the commercial papers will not be less than seven days and more than a year. The directions lay down other requirements in relation to the credit rating and maturity of such NCDs.

External commercial borrowings ("**ECB**") are commercial loans raised by eligible resident entities from recognised non-resident entities in terms of the ECB Master Directions. While availing of such ECBs, HFCs are required to conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling set out in the ECB Master Directions.

Raising Debt

The RBI Master Directions, which currently apply to the Company, require that any change in shareholding of an NBFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of such NBFC, requires a prior written approval from the RBI.

On-boarding of customers and marketing

Advertising, Marketing and Sales:

The Fair Practices Code under RBI Master Directions seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces to achieve higher operating standards and promote fair and cordial relationship between customer and HFCs, and foster confidence in the housing finance system. HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process, including the amount, tenure and periodicity of repayment.

The Fair Practices Code also prescribes certain requirements applicable at the time of applications for loans, loan appraisal and disbursement of loans. For instance, HFCs are required to include in the loan application forms all necessary information so that the applicant may make a meaningful comparison with the terms offered by other HFCs, to devise a system of giving acknowledgement for receipt of all loan applications and to communicate in writing the reasons for rejection of the application.

KYC and AML:

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions. Further, the guidelines on 'Know Your Customer' & 'Anti-Money Laundering Measures' for HFCs issued by the NHB by way of its circular dated March 11, 2019 ("**NHB KYC Circular**"), were applicable on HFCs until May 19, 2020.

On May 19, 2020, RBI issued a circular wherein applicability of Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC Direction**"), as amended was extended to HFCs and NHB KYC Circular stood repealed. The KYC Direction requires an HFC to formulate a Board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client's business and their location; (iii) undertake customer identification procedures when, *inter alia,* commencement of an account based relationship, when there is a doubt about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when or when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', authorised signatory or power of attorney holder related to the legal entity.

Credit Approval and Disbursement

The granting of housing loans and disbursements of such loans by HFCs is primarily governed by the directions and circulars issued by the RBI, such as the RBI Master Directions containing the Fair Practices Code and the Revised HFC Framework. In terms of the RBI Master Directions, amongst others, (i) no HFC may grant housing loans to individuals of up to ₹ 3 million with an LTV ratio exceeding 90% of between ₹ 3 million to ₹ 7.50 million with LTV ratio exceeding 80%, and above ₹ 7.50 million with LTV ratio exceeding 75%; (ii) no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. Additionally, the NHB advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code requires HFCs to convey certain terms and conditions at the time of sanction of loans such as the annualised interest rate, equated monthly instalments **("EMI")** structure and prepayment charges. Further, our internal credit policy lays down the requirements for various customer profiles including salaried, self-employed professionals/non-professionals and non-individual entities. The internal credit policy has also laid down clear rules for determining as to who can be an eligible applicant.

Further, in terms of the PSL Master Directions, issued by the RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹ 2 million per borrowers, for purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Asset classification, Provisioning and Income Recognition

COVID19 Regulatory Package - Asset Classification and Provisioning on April 17, 2020

The RBI notified the COVID19 Regulatory Package – Asset Classification and Provisioning to alleviate the burden on financial institutions that were impacted owing to the COVID – 19 pandemic.

In terms of the circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the RBI allowed financial institutions to provide for a three month moratorium on all term loan payments falling due between March 1, 2020 and March 31, 2020. Similarly, in terms of working capital facilities such as cash credit and overdraft, the RBI permitted the recovery of interest to be deferred.

In respect of accounts which are at default but standard as on February 29, 2020, and an asset classification benefit is extended, lending institutions will be required to make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters i.e. not less than 5 per cent for each of the quarter ended on March 31, 2020 and the quarter ended on June 30, 2020. NBFCs which are required to comply with Ind AS shall, as hitherto, continue to be guided by the guidelines duly approved by their board of directors and as per advisories issued by ICAI for recognition of their impairments.

In terms of circulars issued by the NHB, HFCs are required to comply with the provisions of Ind AS, as notified by the MCA from time to time, including the date of implementation notified by the MCA by its notification dated March 30, 2016. Accordingly, the financial reporting of financial assets, financial liabilities, provisioning and income recognition is primarily governed by Ind AS 109.

In terms of the Revised HFC Framework, HFCs shall also be required to maintain a prudential floor in respect of impairment allowances and follow instructions on regulatory capital.

However, for regulatory and supervisory purposes, including various kinds of reporting to the NHB, HFCs are required to follow the relevant provisions of NHB Act and RBI Master Directions including framework on prudential norms and other related circulars issued in this regard by the RBI from time to time. Every HFC is required to, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets, sub-standard assets, doubtful assets, and loss assets. Further, every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements after taking into account the time lag between an account becoming NPA, its recognition as such, the realization of the security, and the erosion over time in the value of security charged.

The RBI Master Directions require that income recognition be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed. The interest income earned on NPA accounts shall be recognised in accordance with principles laid out in the Ind AS.

Risk Management Framework

<u>*Asset Liability Management:*</u>

The RBI has, by way of its RBI Master Directions, prescribed guidelines for asset liability management system in HFCs ("**ALM Guidelines**"). In terms of the ALM Guidelines, HFCs are exposed to several major risks in the course of their business - credit risk, interest rate risk, equity/commodity price risk, liquidity risk and operational risk. In terms of the ALM guidelines, the asset liability management ("**ALM**") process involves, amongst others, (i) ALM information systems, which includes management information systems and availability of information and accuracy, adequacy and expediency thereof; (ii) ALM organisation, which includes involvement of top level management; and (iii) identification, measurement and management of risks and having in place risk policies and tolerance levels. Further, the scope of the ALM function of the HFC includes, amongst others, liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection, forecasting and analysing 'what if scenario' and preparation of contingency plans.

<u>*Appointment of a Chief Risk Officer:*</u>

The RBI has mandated the appointment of a Chief Risk Officer ("**CRO**") vide RBI Master Directions. The CRO shall be a senior official with adequate professional qualification and expertise in the area of risk management.

The office of the CRO shall be an independent office with direct reporting lines to the managing director or the chief executive officer. The CRO will be tasked with the identification, mitigation and measuring of risk with respect to the products being offered by the HFC.

<u>*Corporate Governance:*</u>

The RBI Master Directions issued, apply to every non-public deposit accepting HFC with assets size of ₹ 500 million and above, as per the last audited balance sheet, and all public deposit accepting / holding HFCs ("**Applicable HFC**"). Applicable

HFCs are required to constitute, amongst others, an audit committee, an asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm. The Applicable HFCs are also required to frame internal guidelines on corporate governance standards which are also to be put up on their website for information of various stakeholders.

Recovery of dues

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the Fair Practices Code requires HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession. In the event, the HFC hires recovery agents for this purpose, they are required to comply with guidelines issued by the RBI in this regard by its circular dated July 14, 2008, which includes requirements such as due diligence while hiring such recovery agents, training of recovery agents and regulating the methods employed by such recovery agents.

SARFAESI Act:

The SARFAES1 Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire assets of a bank or financial institution, including HFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. For HFCs, SARFAESI recovery is allowed for all loans of greater than ₹ 0.10 million ticket size.

Further, the SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor, such as an HFC, can recover dues from its borrowers by taking any of the measures as provided therein, including (i) taking possession of the secured assets or (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a non-performing asset in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. However, the requirement for a secured debt to be classified as a non -performing asset shall not apply to a borrower who has raised funds through debt securities. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

Further, in terms of the RBI Master Directins , HFCs are permitted to carry out securitization of standard assets and transfer of assets through direct assignment of cash flows and the underlying securities, provided that such HFCs conform to the minimum holding period and minimum retention requirement standards.

*Recovery of Debts due to Banks and Financial Institutions Act, 1993 (“**DRT Act**”)*

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals (“**DRTs**”), powers of DRTs and modes of recovery of debts determined by DRTs, including *inter alia* attachment and sale of movable and immovable properties of defendants, taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same, arrest of defendants, defendants’ detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, such as an HFC, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

RBI Master Circular on Wilful Defaulters dated July 1, 2015

In the Master Circular on ‘Willful Defaulters’ the term ‘willful default’ has been redefined, which would be deemed to have occurred if any of the following events occur: (a) Default in repayment obligations despite having capacity to honour the said obligations. (b) Default in repayment obligations and diversion of funds for other purposes, including non-utilization of funds for the specific purposes for which finance was availed. (c) Default in repayment obligations and siphoning off the funds and non-utilization of funds for the specific purposes for which finance was availed moreover when the funds are not available with the unit in the form of other assets. (d) Default in repayment obligations to a lender and disposal or removal of assets (movable, fixed or immovable) which have been given as security without the knowledge of the lender. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Willful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: (a) No additional facilities will be granted by banks and financial institutions. (b) Promoters of companies that have been identified for siphoning of funds, misrepresentation of accounts and fraudulent transactions will be debarred from institutional finance for floating new ventures for a period of five years (c) Legal process (criminal and civil) will be initiated expeditiously. (d) Willful defaulters will not be allowed to take up board positions in any company and those who are on board will be removed expeditiously.

*Insolvency and Bankruptcy Code, 2016, as amended (the "**IBC**")*

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

Companies Act, 2013

The Companies Act, 2013 ("**Companies Act**") has been notified by the Government of India on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 5,000 million or more, or turnover of ₹ 10,000 million or more or a net profit of ₹ 50 million or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

SEBI Regulations

The Securities and Exchange Board of India ("SEBI") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1990, as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

RBI's COVID-19 related measures for HFCs

On March 27, 2020, the monetary policy committee of the RBI, in its statement, noted the adverse impact of COVID-19 and released regulatory packages on March 27, 2020 and April 17, 2020 ("**COVID Package**"). The RBI permitted all the lending institutions (including HFCs) to grant a moratorium on repayment of instalments of term loans and working capital loans falling due between March 1, 2020 to May 31, 2020 for accounts which were classified as 'standard' as on February 29, 2020. However, the interest on such instalments continued to accrue on the outstanding portion of the term loans and such accounts did not qualify for asset classification downgrade due to the moratorium. Subject to certain conditions, the HFCs were required to maintain general provisions of at least 10% of the total outstanding accounts in a phased manner until June 30, 2020 for accounts to which moratorium benefit was extended. NBFCs (including HFCs) which were required to comply with Ind AS, had to make impairment provisions as per their expected credit loss models.

On May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. The RBI also permitted the lending institutions to convert the interest deferred into a funded interest term loan repayable on or before March 31, 2021. Further, lending institutions were restricted from downgrading the accounts on which moratorium benefit was extended, on account of default in payment.

The RBI also released a Special Liquidity Scheme particularly for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium. For details, see "*Our Business*" and "*Industry Overview*" beginning on pages 93 and 71, respectively.

The RBI Resolution Framework for Covid-19 related Stress dated August 6, 2020 provides for a window to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 180 days from the date of invocation.

The RBI Resolution Framework for COVID -19 related Stress – Financial Parameters dated September 7, 2020 sets out the financial parameters that all lending institutions are required to consider while finalising the resolution plans in respect of eligible non-personal loan borrowers.

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 7, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ("**ICA"**), and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the singing of an ICA.

Miscellaneous

CLSS and Pradhan Mantri Awas Yojana:

The CLSS aims at expanding institutional credit flow to the housing needs of the urban poor, by providing credit-linked subsidy on home loans taken by eligible urban poor for acquisition or construction of houses. The scheme is governed by the PMAY – Housing for All (Urban) issued by the MoHUPA, GoI in March 2016. Individuals belonging to the economically weaker sections ("**EWS**") and the low income group ("**LIG**") seeking housing loans from PLIs, including banks and HFCs, are eligible to avail benefits under the scheme. EWS and LIG households are defined as households having an annual income up to ₹0.3 million, and annual income between ₹0.3 million and ₹0.6 million, respectively. NHB been nominated by the MoHUPA as a Central Nodal Agency under the CLSS, to channelize the subsidy to PLIs and to monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. The CLSS has been implemented through four verticals, namely, (i) "In situ" slum redevelopment; (ii) affordable housing through credit linked subsidy; (iii) affordable housing in partnership; and (iv) subsidy for beneficiary-led individual house construction or enhancement.

Inspection:

In terms of the NHB Act, the NHB has the power to direct housing finance institutions which are companies, to furnish to the NHB and the RBI such statements, information or particulars as may be specified by the NHB. The NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any deposit accepting HFC for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so.

Reporting:

In addition to the financial reporting requirements, such as submissions of copies of balance sheet and accounts together with the directors' report to the NHB, as prescribed under the RBI Master Directions, pursuant to the Revised HFC Framework, reporting requirements in relation to monitoring of frauds shall be governed in terms of Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

Foreign Investments in HFCs:

Foreign investment in our Company is governed primarily by the FEMA, the rules made thereunder, read with the Consolidated FDI Policy and the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended. Up to 100% foreign investment under the automatic route is currently permitted in "Other Financial Services", which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions specified by the concerned regulator (in our case, the IRDAI and the RBI), if any.

Other applicable laws:

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

Shops and establishments regulations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour laws

India has stringent labour related legislations. Our Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual property regulations

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION V – FINANCIAL STATEMENTS

REFORMATTED FINANCIAL STATEMENTS.

[Page intentionally kept blank]

M. P. Chitale & Co.
Chartered Accountants
Hamam House, Ambalal Doshi Marg, Fort, Mumbai - 400 001 • Tel : 22651186/ 22653023 / 24 • Fax : 2265 5334 • E-mail : office@mpchitale.com

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED
(FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED)

To
Board of Directors
IIFL Home Finance Limited
(Formerly known as India Infoline Housing Finance Limited)
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate
Thane 400 604, Maharashtra, India

Introduction

1) We have examined the attached columnar financial statements as at and for the years ended March 31, 2021, 2020 and 2019 as per Ind AS (the "**Reformatted Financial Statements under Ind AS**") of IIFL Home Finance Limited **(Formerly known as India Infoline Housing Finance Limited)** ("the **Company**" or the "**Issuer**") comprising the Reformatted Statement of Assets and Liabilities as at March 31, 2021, 2020 and 2019, the Reformatted Statement of Profit and Loss (including Other Comprehensive Income), the Reformatted Statement of Cash Flows for the years ended March 31, 2021, 2020 and 2019, the Reformatted Statement of Changes in Equity and the Statement of Significant Accounting Policies and Notes forming part thereof. The Reformatted Financial Statements under Ind AS including other financial information are to be included in the Draft Shelf Prospectus, Shelf Prospectus and respective Tranche Prospectus(es) (the "**Offer Documents**") for the purpose set out in paragraph 12 below. The Reformatted Financial Statements under Ind AS and other financial information have been approved by the Finance Committee of Board of Directors of the Company, prepared in terms of the requirements of:

a) Section 26 (1)(b)(i) of Part I of Chapter III of the Companies Act, 2013 (the "**Act**") read with Rule 4 of the Companies (Prospectus & Allotment of Securities) Rules, 2014; and

b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "**SEBI ILDS Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**").

Management's Responsibility for the Reformatted Financial Statements Under Ind AS and Other Financial Information

2) The management of the Company is responsible for the preparation of:

a) the Reformatted Financial Statements under Ind AS based on audited financial statements of the Company as at and for the years ended March 31, 2021, 2020 and 2019, prepared in accordance with the Indian Accounting Standard (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India in accordance with the accounting principles generally accepted in India (the "**Audited Ind AS Financial Statements**"), which have been approved by the Board of Directors at their meeting held on April 28, 2021, May 23, 2020 and May 13, 2019 respectively and audited by us and the previous auditor. The Reformatted Financial Statements under Ind AS have been prepared by the Management of the Company as described in Note 2.1 to the Reformatted Financial Statements under Ind AS.

b) Other financial information as at and for the years ended March 31, 2021, 2020 and 2019, approved by the Finance Committee of Board of Directors *vide* Resolution dated June 15, 2021:
   - Statement of Dividend as per Ind AS enclosed as Annexure I;
   - Statement of Capitalization enclosed as Annexure II; and
   - Statement of Accounting Ratios as per Ind AS enclosed as Annexure III.

The management of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Statements under Ind AS and other financial information. The management of the Company are responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

Auditors' Responsibilities

3) Our responsibility is to review, based on procedures we performed, that whether Reformatted Financial Statements under Ind AS and other financial information have been compiled by the management from the Audited Ind AS Financial Statements of the Company as at and for the years ended March 31, 2021, 2020 and 2019.

4) We have examined such Reformatted Financial Statements under Ind AS and other financial information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 1, 2021 in connection with the proposed public issue of Debentures / NCDs of the Company;

b) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Financial Statement under Ind AS; and

d) The requirements of Section 26 (1)(b)(i) of the Act read with Rule 4 of the Companies (Prospectus & Allotment of Securities) Rules, 2014 and the Regulations.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other assurance and related services engagement issued by the ICAI. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Reformatted Financial Statements under Ind AS

5) The Audited Ind AS Financial Statements as at and for the years ended March 31, 2020 and 2019 have been audited by the previous auditors of the Company. For the purpose of our examination, we have relied on the Auditor's report issued by us for the year ended March 31, 2021 dated April 28, 2021 and Auditor's report issued by M/s Deloitte Haskins & Sells LLP, the previous statutory auditors of the Company on the Financial Statements for the year ended March 31, 2020 and 2019 dated June 5, 2020 and May 13, 2019, respectively. We have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the financial statements audited by the previous auditors for the said years.

6) The Audited Ind AS Financial Statements as at and for the years ended March 31, 2020 and 2019 reported upon by the previous auditors of the Company on which reliance has been placed by us, have been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure adopted for the financial year ended March 31, 2021. The figures included in the Reformatted Financial Statements under Ind AS, do not reflect the effects of changes in accounting policies or events that occurred subsequent to the date of the reports of the auditors referred to in Para 5 above.

7) The Auditor's Report on the Audited Ind AS Financial Statements issued by us for the financial year ended March 31, 2021 dated April 28, 2021 and by M/s Deloitte Haskins & Sells LLP for the financial years ended March 31, 2020 and 2019 dated June 5, 2020 and May 13, 2019 respectively, was unmodified and included the following emphasis of matter paragraph:

For financial year 2020-21

Emphasis of Matter

We draw attention to Note 7.1 to the Financial Statements on possible effects of COVID-19 pandemic.

Our opinion is not modified in respect of this matter.

For financial year 2019-20

Emphasis of Matter

We draw attention to Note 7.1 to the Financial statements, which fully describe that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Opinion

8) Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the report of the auditors as mentioned in Para 5 above, we report that the Reformatted Financial Statements under Ind AS and other financial information have been prepared, in all material respect, on the basis described in Note 2.1 to the Reformatted Financial Statements under Ind AS.

Other Matter

9) In the preparation and presentation of Reformatted Financial Statements under Ind AS based on Audited Ind AS Financial Statements, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 5 above.

10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the previous statutory auditors, nor should this be construed as a new opinion on any of the financial statements referred to herein.

12) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents prepared by the Company in connection with its proposed public issue of Secured Redeemable Non-Convertible Debentures and / or Unsecured Subordinated Redeemable Non-Convertible Debentures] (the "**Debentures**" or the "**NCDs**") to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai, Maharashtra in connection with the proposed issue of Debentures / NCDs.

For M.P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Harnish Shah
Partner
Membership No.: 145160
UDIN: 21145160AAAAAO8219

Place: Mumbai
Date: June 15, 2021

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

(₹ in Millions)

Sr. no.	Particulars	Note no.	March 31, 2021	March 31, 2020	March 31, 2019
	ASSETS				
1	**Financial Assets**				
(a)	Cash and cash equivalents	4A	4,123.27	9,251.67	8,068.42
(b)	Bank balance other than (a) above	4B	4,437.40	3,556.63	1,968.94
(c)	Receivables	6			
	(I) Trade receivables		308.23	181.63	291.39
(d)	Loans	7	145,649.23	129,373.21	134,111.56
(e)	Investments	8	1,672.20	534.09	-
(f)	Other financial assets	9	2,337.85	1,375.78	1,116.40
2	**Non-financial Assets**				
(a)	Current tax assets (net)		143.57	128.05	141.15
(b)	Deferred tax assets (net)	10	701.71	336.60	320.08
(c)	Investment Property	11A	70.05	111.83	-
(d)	Property, plant and equipment	11B	24.84	48.72	46.37
(e)	Right of use assets	12A	131.68	238.35	-
(f)	Other intangible assets	12B	1.26	2.94	3.29
(g)	Other non-financial assets	13	37.35	35.44	29.40
(h)	Assets held for sale	14	139.46	-	
	Total Assets		**159,778.10**	**145,174.94**	**146,097.00**
	LIABILITIES AND EQUITY				
1	**Financial Liabilities**				
(a)	Derivative financial instruments	5	292.08	150.27	421.32
(b)	Payables	15			
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		351.58	290.74	477.45
(c)	Lease Liabilities	12A	149.03	253.49	-
(d)	Debt securities	16	21,027.50	23,667.61	30,160.64
(e)	Borrowings (other than debt securities)	17	104,708.22	95,034.18	86,010.35
(f)	Subordinated liabilities	18	4,366.73	4,748.75	6,843.32
(g)	Other financial liabilities	19	5,853.89	2,582.77	5,343.42
2	**Non-financial Liabilities**				
(a)	Current tax liabilities (net)		312.59	76.14	242.84
(b)	Provisions	20	125.78	160.10	132.41
(c)	Other non-financial liabilities	21	1,133.61	210.75	498.43
3	**Equity**				
(a)	Equity share capital	22	209.68	209.68	209.68
(b)	Other equity	23	21,247.41	17,790.46	15,757.14
	Total liabilities and equity		**159,778.10**	**145,174.94**	**146,097.00**
See accompanying notes forming part of the reformatted financial statements		**1-48**			

As per our reports attached of even date.
For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

Place: Mumbai
Date: June 15, 2021

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

(₹ in Millions)

Sr. no.	Particulars	Note no.	FY 2020-21	FY 2019-20	FY 2018-19
	Revenue from Operations				
(i)	Interest income	24	17,786.63	16,370.31	16,283.95
(ii)	Dividend Income	25	40.71	-	-
(iii)	Fees and commission income	26	647.38	619.94	687.55
(iv)	Net gain on fair value changes	27	185.01	203.52	227.39
(v)	Net gain on derecognition of financial instruments under amortised cost category	28	909.93	234.86	284.46
(vi)	Net gain on modification of financial instruments under amortised cost category		-	-	0.96
(I)	**Total Revenue from Operations**		**19,569.66**	**17,428.63**	**17,484.31**
(II)	**Other Income**	29	1,107.84	601.58	976.79
(III)	**Total Income (I+II)**		**20,677.50**	**18,030.21**	**18,461.10**
	Expenses				
(i)	Finance cost	30	10,532.73	10,866.45	11,022.55
(ii)	Net loss on modification of financial instruments under amortised cost category		73.27	-	-
(iii)	Impairment on financial instruments, including write-offs	31	2,716.87	1,294.01	198.86
(iv)	Employee benefits expenses	32	1,584.43	1,696.30	1,895.49
(v)	Depreciation, amortization and impairment	11A-12B	81.43	88.92	22.78
(vi)	Other expenses	33	588.93	780.13	827.51
(IV)	**Total Expenses**		**15,577.66**	**14,725.81**	**13,967.19**
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		5,099.84	3,304.40	4,493.91
(VI)	**Exceptional Item**	35	-	15.04	-
(VII)	**Profit Before Tax (V -VI)**		**5,099.84**	**3,289.36**	**4,493.91**
(VIII)	**Tax Expenses:**				
	(i) Current tax	34	1,419.33	855.10	1,434.00
	(ii) Deferred tax	10	(331.41)	(117.43)	4.38
	(iii) Tax of earlier years	34	0.97	(8.63)	(8.40)
	Total Tax Expenses		**1,088.89**	**729.04**	**1,429.98**
(IX)	**Profit before impact of change in the rate of Corporate tax on Opening Deferred Tax (VII-VIII)**		**4,010.95**	**2,560.32**	**3,063.93**
(X)	Impact of change in the rate of Corporate tax on Opening Deferred Tax	34	-	111.10	-
(XI)	**Profit for the year (IX-X)**		**4,010.95**	**2,449.22**	**3,063.93**
(XII)	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit (liabilities)/assets		15.58	(5.51)	(14.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.92)	1.39	5.01
	Subtotal (A)		**11.66**	**(4.12)**	**(9.33)**
	B (i) Items that will be reclassified to profit or loss				
	(a) Cash Flow Hedge (net)		(47.75)	(43.58)	(245.24)
	(b) Fair value of loans carried at FVTOCI		(7.64)	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		13.94	10.97	147.23
	Subtotal (B)		**(41.45)**	**(32.61)**	**(98.01)**
	Other Comprehensive Income (A+B)		**(29.79)**	**(36.73)**	**(107.34)**
(XIII)	**Total Comprehensive Income for the year (XI+XII)**		**3,981.16**	**2,412.49**	**2,956.59**
(XIV)	**Earnings per Equity Share of face value of Rs. 10 each (for continuing operations)**	36			
	Basic (Rs.)		191.29	116.81	150.91
	Diluted (Rs.)		191.29	116.81	150.91
See accompanying notes forming part of the reformatted financial statements		**1-48**			

As per our reports attached of even date.
For M. P. Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Harnish Shah
Partner

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: June 15, 2021

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

A. Equity Share Capital **(₹ in Millions)**

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2021	209.68	-	**209.68**
As at March 31, 2020	209.68	-	**209.68**
As at March 31, 2019	199.68	10.00	**209.68**

B. Other Equity **(₹ in Millions)**

Particulars	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income			Total
						Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance as at April 01, 2018	**7,002.57**	**-**	**962.70**	**1,133.80**	**2,767.13**	**(4.09)**	**-**	**-**	**11,862.11**
Profit for the year	-	-	-	-	3,063.93	-	-	-	**3,063.93**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(98.01)	-	**(98.01)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	(9.33)	-	-	**(9.33)**
Equity Dividend (Refer Note 5)	-	-	-	-	(41.94)	-	-	-	**(41.94)**
Dividend Distribution Tax	-	-	-	-	(8.62)	-	-	-	**(8.62)**
Transfer to General Reserve (Refer Note 1)	-	938.60	-	(938.60)	-	-	-	-	**-**
Transfer to Special Reserve (Refer Note 2)	-	-	613.00	-	(613.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve (Refer Note 6)	-	-	-	221.55	(221.55)	-	-	-	**-**
Additions during the year (Net) (Refer Note 7)	989.00	-	-	-	-	-	-	-	**989.00**
Balance as at March 31, 2019	**7,991.57**	**938.60**	**1,575.70**	**416.75**	**4,945.95**	**(13.42)**	**(98.01)**	**-**	**15,757.14**
Profit for the year	-	-	-	-	2,449.22	-	-	-	**2,449.22**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(32.61)	-	**(32.61)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	(4.12)	-	-	**(4.12)**
Equity Dividend (Refer Note 5)	-	-	-	-	(314.52)	-	**-**	-	**(314.52)**
Dividend Distribution Tax	-	-	-	-	(64.65)	-	**-**	-	**(64.65)**
Transfer to General Reserve (Refer Note 1)	-	500.00	-	(500.00)	-	-	**-**	-	**-**
Transfer to Special Reserve (Refer Note 2)	-	-	493.00	-	(493.00)	-	**-**	-	**-**
Transfer to Debenture Redemption Reserve (Refer Note 6)	-	-	-	83.25	(83.25)	-	**-**	-	**-**
Balance as at March 31, 2020	**7,991.57**	**1,438.60**	**2,068.70**	**-**	**6,439.75**	**(17.54)**	**(130.62)**	**-**	**17,790.46**
Profit for the year	-	-	-	-	4,010.95		**-**	**-**	**4,010.95**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(35.74)	**-**	**(35.74)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	11.66	**-**	**-**	**11.66**
Equity Dividend (Refer Note 5)	-	-	-	-	(524.20)	-	-	**-**	**(524.20)**
Transfer to Special Reserve (Refer Note 2)	-	-	805.00	-	(805.00)	-	-	**-**	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(5.72)	**(5.72)**
Balance as at March 31, 2021	**7,991.57**	**1,438.60**	**2,873.70**	**-**	**9,121.50**	**(5.88)**	**(166.36)**	**(5.72)**	**21,247.41**

1. The General Reserve can be distributed / utilised by the Company in accordance with the Companies Act, 2013. During the year ended March 31, 2021 the Company has transferred ₹ Nil/- (As at March 31, 2020 ₹ 500.00 Millions and as at March 31, 2019 ₹ 938.60 Millions) from Debenture Redemption Reserve to General Reserve on account of redemption of debenture offered through public issue.

2. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

3. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
4. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

5. During the year ended March 31, 2021, the Board of Directors of the Company has declared and paid interim dividend of ₹ 25/- (for the year ended March 31, 2020 ₹ 15/- and for the year ended March 31, 2019 ₹ 2/-) per equity share.

6. Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company being a Housing Finance Company has created Debenture Redemption Reserve of a value equivalent to 25% of the debentures outstanding, which were offered through public issue. Accordingly, the Company during the year ended March 31, 2020 ₹ 83.25 Millions and for the year ended March 31, 2019 ₹ 221.55 Millions has been transferred to Debenture Redemption Reserve Account.

7. The amount received in excess of face value of the equity shares is recognised in Securities Premium. During the year ended March 31, 2019 the Company had issued Equity shares at a premium of ₹ 990/- per share on rights issue basis. Total additions to Securities Premium is after netting of share issue expenses of ₹ 1.00 Millions.

See accompanying notes forming part of the financial statements
As per our reports attached of even date.
For M. P. Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Harnish Shah
Partner

Place: Mumbai
Date: June 15, 2021

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Direct
(DIN: 07406284
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

(₹ in Millions)

Particulars	Note No.	FY 2020-21	FY 2019-20	FY 2018-19
Cash Flows from Operating Activities				
Profit before tax		**5,099.84**	**3,289.36**	**4,493.91**
Adjustments for:				
Depreciation, amortization and impairment		81.43	88.92	22.78
Impairment on financial instruments - loans		2,214.18	471.78	15.54
Interest expense		10,532.73	10,866.45	11,022.55
Interest on Loans		(17,783.79)	(16,370.31)	(16,284.91)
Net gain on derecognition of financial instruments		(866.01)	(176.89)	(280.71)
Net (gain)/loss on fair value changes		(183.56)	(172.40)	(227.39)
Exchange fluctuation on Borrowings		-	-	(2.99)
Loss on Sale of assets [net]		14.29	0.56	0.87
Interest paid		(11,067.45)	(10,131.61)	(10,730.69)
(Gain)/Loss on termination		(6.20)	(0.33)	-
(Gain)/Loss on Modification		73.27	-	-
Interest received on loans		17,954.16	16,107.84	15,904.90
(Gain)/ Loss on buy back of Debt Securities		(1.45)	(29.42)	13.87
Operating Profit before Working Capital changes		**6,061.44**	**3,943.95**	**3,947.73**
Changes in Working Capital:				
Adjustments for (increase)/decrease in Other Financial assets		(191.31)	(82.48)	(10.18)
Adjustments for (increase)/decrease in Trade Receivables		(126.60)	109.77	(170.66)
Adjustments for (increase)/decrease in Other Non Financial assets		(1.26)	9.60	(12.76)
Adjustments for (increase)/decrease in Assets held for sale		(139.46)	-	-
Adjustments for (increase)/decrease in Balances with banks - Lien marked		1,058.78	(1,061.34)	12.47
Adjustments for increase/(decrease) in Trade Payables		60.84	(186.70)	88.01
Adjustments for increase/(decrease) in Other financial liabilities		3,271.12	(2,760.65)	(3,425.25)
Adjustments for increase/(decrease) in Other non-financial liabilities		922.86	(287.69)	(74.38)
Adjustments for increase/(decrease) in Provisions		(24.65)	22.19	30.66
Operating Profit after Working Capital changes		**10,891.76**	**(293.35)**	**385.64**
Direct Taxes Paid		**(1,223.05)**	**(997.90)**	**(1,331.43)**
Cash generated from/ (used in) Operations		**9,668.71**	**(1,291.25)**	**(945.79)**
Loans (disbursed) / repaid (net)		(18,645.17)	4,525.54	(8,993.23)
Net cash generated from / (used in) Operating Activities (A)		**(8,976.46)**	**3,234.29**	**(9,939.02)**
Cash flow from Investing Activities				
Purchase of fixed assets		(9.39)	(50.64)	(41.39)
Sale of fixed assets		3.98	18.57	0.02
Fixed deposits placed		(82,622.53)	(2,465.78)	(1,858.26)
Fixed deposits matured		80,681.91	1,942.93	1,253.48
Purchase of investments		(165,446.23)	(808,392.13)	(768,581.00)
Proceeds from sale of investments		164,491.68	808,030.44	768,808.39
Purchase of investment property		-	(111.83)	-
Proceeds from sale of investment property		24.10	-	
Net Cash used in Investing Activities (B)		**(2,876.48)**	**(1,028.45)**	**(418.76)**
Cash flow from Financing Activities				
Proceeds from fresh issue of Equity shares		-	-	1,000.00
Share issue expenses		-	-	(1.00)
Dividend paid (including Dividend Distribution Tax)		(524.20)	(379.17)	(50.56)
Proceeds from Borrowings		32,980.00	27,335.44	40,740.59
Repayment of Borrowings		(23,157.85)	(18,319.21)	(11,684.96)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		14,620.00	36,400.00	144,912.14
Repayment of Debt & Sub-Ordinated Debt Securities		(17,136.06)	(45,993.23)	(159,065.14)
Payment of lease liabilities		(57.35)	(66.41)	-
Net Cash from/(used in) Financing Activities (C)		**6,724.54**	**(1,022.59)**	**15,851.07**
Net increase in cash and cash equivalents (A+B+C)		**(5,128.40)**	**1,183.25**	**5,493.28**
Cash and cash equivalents as at the beginning of the year		9,251.67	8,068.42	2,575.14
Cash and cash equivalents as at the end of the year		**4,123.27**	**9,251.67**	**8,068.42**
See accompanying notes forming part of the reformatted financial statements	**1-48**			

As per our reports attached of even date.
For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: June 15, 2021

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited) ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a wholly owned subsidiary of IIFL Finance Limited (formerly known as IIFL Holdings Limited) (w.e.f. March 30, 2020). IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF REFORMATTED FINANCIAL STATEMENTS

2.1 Basis of Preparation

The Reformatted Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019 and the Reformatted Statement of Profit and Loss (including Other Comprehensive Income) and the Reformatted Standalone Statement of Cash flows and the Reformatted Standalone Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 (together referred as 'Reformatted Financial Statements under Ind AS') have been compiled by the Management from the Audited Financial Statements of the Company for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 ("Audited Ind AS Financial Statements") adopted by the Board of Directors on April 28, 2021, May 23, 2020 and May 13, 2019 respectively.

The Reformatted financial statements under Ind AS have been prepared by the management in connection with the proposed listing of secured and unsecured redeemable non-convertible debentures of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

a. Section 26 of the Companies Act, 2013, read with rules made thereunder; and

b. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time..

The Reformatted financial statements under Ind AS of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies

Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

The Reformatted Financial Statements for the year ended 31 March 2020 and 31 March 2019 under Ind AS have been prepared and presented by the Company in a manner consistent with the presentation / disclosure adopted for the Audited Ind AS Financial Statements for financial year ended 31 March 2021. Accordingly, amounts in the Reformatted Financial Statements of 31 March 2020 and 31 March 2019 have been regrouped/reclassified wherever necessary, to conform to the classification adopted for the Audited Ind AS Financial Statements for financial year ended 31 March 2021.

The Reformatted Financial Statements under Ind AS have not considered changes in accounting policies (if any) and have not been restated retrospectively.

These Reformatted Financial Statements under Ind AS have been prepared on historical cost basis except for certain financial instruments that are measured at fair value. The Reformatted Fnancial Statements under Ind AS are presented in Indian Rupees and all values are rounded to millions except when otherwise stated.

2.2 Statement of compliance

The Reformatted Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

2.3 Presentation of Reformatted Financial Statements

The Statement of Asset and Liabilities, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Statement of Assets and Liabilities and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

The Reformatted Financial Statements are presented in Indian Rupees (INR) and all values are rounded to millions except when otherwise stated.

2.4 Basis of measurements

The Reformatted Financial Statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

2.5 Use of estimates and judgments

The preparation of the Reformatted Financial Statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Reformatted Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Reformatted Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Reformatted Financial Statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the company at each reporting date and changes, if any are given effect to.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in Reformatted Financial Statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (“EIR”) applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company’s Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

Other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment ("PPE")

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost of acquisition (net of tax), if any, less accumulated depreciation and cumulative impairment losses (if any). Cost includes freight, duties, taxes and expenses incidental to acquisition and installation.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value as per Previous GAAP on the transition date of April 1, 2017.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

Depreciation is charged using the straight-line method, based on the useful life of fixed assets as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Company
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives

for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

Depreciation and amortisation on impaired asset is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

The Company repossess properties or other assets to settle outstanding recoverable and the surplus (if any) post auction is refunded to the obligors. These assets physically acquired by the company under SARFASI Act, 2002 and sale is highly probable has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use.
If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(h) Employee benefits

i. Defined contribution plans

The Company's contribution towards Provident Fund, Family Pension Fund and ESIC are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Statement of Profit and loss.

ii. Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plan above.

(i) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically

reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's Reformatted Financial Statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. Purchase and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL. The Company may make an irrevocable election to present certain equity investments measured

at fair value through other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Reclassifications

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss (“ECL”) model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").

Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the company measures the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the asset’s cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(l) Derivative financial instrument

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(o) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

(p) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(q) Foreign currencies

In preparing the Reformatted Financial Statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision.

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Reformatted Financial Statements. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(t) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity 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 operations. 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.

(v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(w) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company’s Board of Directors.

(x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of April 01, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

(i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment as deemed cost of such assets at the transition date.

(ii) The Company has applied the derecognition requirements of financial assets and financial liabilities retrospectively.

(iii) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

(iv) The estimates as at April 01, 2017 and as at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

(v) Reconciliation of total comprehensive income for the year ended March 31, 2018 is summarised as follows:

(₹ in Millions)

Particulars	Notes	FY 2017-18
Profit After Tax as reported under Previous GAAP		**1,974.09**
Provision for expected credit loss	3	35.67
Effective Interest Rate for financial assets recognised at amortised cost	1	(83.41)
Effective Interest Rate for financial liabilities recognised at amortised cost	2	(1.46)
Net Gain on derecognition of loans sold under assignment transaction	4	392.57
Actuarial gain/(loss) on employee defined benefit plan recognised in 'Other comprehensive income' as per Ind AS 19	6	6.29
ESOP Compensation Cost	9	(12.84)
Reversal of Deferred tax liability on Special Reserve	10	127.11
Deferred tax impact on above adjustments	8	(122.39)
Profit After Tax as reported under Ind AS		2,315.63
Other Comprehensive Income (Net of tax)	6	(4.09)
Total Comprehensive Income as reported under Ind AS		**2,311.54**

(vi) Reconciliation of equity as reported under previous GAAP is summarised as follows:

(₹ in Millions)

Particulars	Notes	As at April 01, 2017 (Date of Transition)	As at March 31, 2018 (end of last period presented under previous GAAP)
Equity as reported under previous GAAP		**9,535.00**	**11,509.09**
Provision for expected credit loss	3	(7.85)	27.81
Effective Interest Rate for financial assets recognised at amortised cost	1	(311.90)	(395.31)
Effective Interest Rate for financial liabilities recognised at amortised cost	2	(6.00)	(7.46)
Net Gain on derecognition of loans sold under assignment transaction	4	386.79	779.35
ESOP Compensation Cost	9	(10.61)	(23.45)
Reversal of Deferred tax liability on Special Reserve	10	185.94	313.07
Deferred tax impact on above adjustments	8	(21.12)	(141.31)
Equity as reported under Ind AS		**9,750.25**	**12,061.79**

(vii) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018:

(₹ in Millions)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash used in Operating Activities (A)	5	(32,637.58)	(943.33)	(31,694.25)
Net Cash used in Investing Activities (B)		(355.32)	-	(355.32)
Cash generated from Financing Activities (C)	5	34,663.77	943.33	33,720.44
Net increase in cash and cash equivalents (A+B+C)		**1,670.87**	**-**	**1,670.87**
Cash and cash equivalents as at the beginning of the year		904.27	-	904.27
Cash and cash equivalents as at the end of the year		**2,575.14**	**-**	**2,575.14**

Equity Reconciliation as at March 31, 2018

(₹ in Millions)

Sr. no.	Assets	Note no.	Previous GAAP	Adjustments	Ind AS
(1)	**Financial Assets**				
(a)	Cash and cash equivalents		3,919.10	-	3,919.10
(b)	Bank balance other than (a) above		24.49	-	24.49
(c)	Receivables				
	(I) Trade receivables		96.07	-	96.07
(d)	Loans	1 & 5	119,813.57	4,147.75	123,961.32
(e)	Investments		-	-	-
(f)	Other financial assets	4	70.83	779.35	850.18
(2)	**Non-financial Assets**				
(a)	Current tax assets (net)		155.05	-	155.05
(b)	Deferred tax assets (net)	8	0.46	171.76	172.22
(c)	Property, plant and equipment		26.46	-	26.46
(d)	Other intangible assets		2.67	-	2.67
(e)	Other non-financial assets		19.46	-	19.46
	Total Assets		**124,128.16**	**5,098.86**	**129,227.02**
	LIABILITIES AND EQUITY				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments		3.00	-	3.00
(b)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		365.99	-	365.99
(c)	Debt securities	2	26,343.95	0.63	26,344.58
(d)	Borrowings (other than debt securities)	2 & 5	68,384.77	5,847.11	74,231.88
(e)	Subordinated liabilities	2	4,446.12	(0.17)	4,445.95
(f)	Other financial liabilities	5 & 9	11,746.35	(795.32)	10,951.03
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)		162.57	-	162.57
(b)	Provisions	3	593.50	(506.10)	87.40
(c)	Other non-financial liabilities		572.82	-	572.82
(3)	**Equity**				
(a)	Equity share capital		199.68	-	199.68
(b)	Other equity		11,309.41	552.71	11,862.12
	Total Liabilities and Equity		**124,128.16**	**5,098.86**	**129,227.02**

Equity Reconciliation as at April 01, 2017

(₹ in Millions)

Sr. no.	ASSETS	Note no.	Previous GAAP	Adjustments	Ind AS
(1)	**Financial Assets**				
(a)	Cash and cash equivalents		904.27	-	904.27
(b)	Bank balance other than (a) above		958.43	-	958.43
(c)	Receivables				
	(I) Trade receivables		25.16	-	25.16
(d)	Loans	1 & 5	82,074.79	6,274.03	88,348.82
(e)	Investments		0.19	-	0.19
(f)	Other financial assets	4	25.97	386.78	412.75
(2)	**Non-financial Assets**				
(a)	Current tax assets (net)		79.00	-	79.00
(b)	Deferred tax assets (net)	8	38.20	164.83	203.03
(c)	Property, plant and equipment		14.16	-	14.16
(d)	Other intangible assets		3.15	-	3.15
(e)	Other non-financial assets		15.60	-	15.60
	Total Assets		**84,138.92**	**6,825.64**	**90,964.56**
	LIABILITIES AND EQUITY				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments		-	-	-
(b)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		237.01	-	237.01
(c)	Debt securities	2	26,901.67	1.61	26,903.28
(d)	Borrowings (other than debt securities)	2 & 5	35,112.85	6,788.00	41,900.85
(e)	Subordinated liabilities	2	2,601.05	(0.17)	2,600.88
(f)	Other financial liabilities	5 & 9	8,926.48	(179.05)	8,747.43
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)		69.09	-	69.09
(b)	Provisions		61.95	-	61.95
(c)	Other non-financial liabilities		693.82	-	693.82
(3)	**Equity**			-	
(a)	Equity share capital		199.68	-	199.68
(b)	Other equity		9,335.32	215.25	9,550.57
	Total Liabilities and Equity		**84,138.92**	**6,825.64**	**90,964.56**

The Previous GAAP figures have been reclassified/regrouped/re-arranged to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Millions)

Sr. No.	Particulars	Note no.	Previous GAAP	Adjustments	Ind AS
	Revenue from Operations				
(i)	Interest income	1	11,611.51	533.25	12,144.76
(ii)	Fees and commission income	1	655.25	(103.73)	551.52
(iii)	Net gain on fair value changes		68.36	-	68.36
(iv)	Net gain on derecognition of financial instruments under amortised cost category	4	(0.00)	392.56	392.56
(I)	**Total Revenue from Operations**		**12,335.12**	**822.08**	**13,157.20**
(II)	**Other Income**		352.88	-	352.88
(III)	**Total Income (I+II)**		**12,688.00**	**822.08**	**13,510.08**
	Expenses				
(i)	Finance cost	2	7,252.62	514.39	7,767.01
(ii)	Impairment on financial instruments	3	379.88	(35.67)	344.21
(iii)	Employee benefits expenses	6 & 9	1,450.11	6.55	1,456.66
(iv)	Depreciation, amortization and impairment		11.51	-	11.51
(v)	Other expenses		567.29	-	567.29
(IV)	**Total Expenses (IV)**		**9,661.41**	**485.27**	**10,146.68**
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		**3,026.59**	**336.81**	**3,363.40**
(VI)	**Exceptional Items**		-	-	-
(VII)	**Profit Before Tax (V -VI)**		**3,026.59**	**336.81**	**3,363.40**
(VIII)	**Tax Expenses:**				
	(i) Current tax		1,007.47	-	1,007.47
	(ii) Deferred tax	8	37.74	(4.73)	33.01
	(iii) Current tax expenses relating to prior years		7.29	-	7.29
	Total Tax Expenses		**1,052.50**	**(4.73)**	**1,047.77**
(IX)	**Profit for the year (VII-VIII)**		**1,974.09**	**341.54**	**2,315.63**
(X)	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit (liabilities)/assets	6	-	(6.29)	(6.29)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	8	-	2.20	2.20
	Subtotal (A)		**-**	**(4.09)**	**(4.09)**
	Other Comprehensive Income (A)		**-**	**(4.09)**	**(4.09)**
(XI)	**Total Comprehensive Income for the period (IX+X)**		**1,974.09**	**337.45**	**2,311.54**

1. EIR on loans

Under Previous GAAP, loan processing fees (net of direct sourcing cost) received in connection with loans portfolios was recognised upfront and credited to Statement of Profit and loss for the year. Under Ind AS, loan processing fee is credited to the Statement of Profit and Loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan

2. EIR on borrowings
Under Previous GAAP, transaction costs incurred in connection with borrowings were amortised over the period and charged to the Statement Profit and Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to the Statement Profit and Loss using the effective interest method. The unamortised portion of transaction costs is adjusted from respective Borrowings.

3. Expected Credit Loss on loans & advances
Under Previous GAAP, Non performing Assets ("NPA") provisioning was computed based on the prudential norms issued by National Housing Bank. Under Ind AS, the impairment is computed based on ECL model. The differential impact upon adoption of ECL model has been adjusted in Retained Earnings.

Under Previous GAAP Loans and Advances were presented net of provision for NPA and provision against Standard Assets were presented under provisions. However, under Ind AS, Loans and Advances measured at amortised cost and FVTOCI are presented net of provisions for expected credit losses.

4. Net Gain on derecognition of loans sold under assignment transaction
In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

5. Derecognition of financial assets
Under Previous GAAP, assets were de-recognised, if and only if, the Company had lost the control of the Contractual rights that comprised of the corresponding pools transferred. Future interest spread receivable in case of par structure deals were recognised over the tenure of the agreements as per applicable guidelines / directions. Under Ind AS, the Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. Under Ind AS, since the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

6. Defined benefit obligations
Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to the Statement of Profit and Loss.

7. Derivatives
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

8. Deferred tax
Deferred tax is the tax impact of all adjustments between Previous GAAP and Ind AS.

9. ESOP Compensation Cost
ESOP charge is accounted using fair value method. The portion of ESOP charge payable to Holding Company and Ultimate Holding Company is accordingly measured and recognised at fair value. Under Previous GAAP ESOP charge was calculated based on intrinsic value method.

10. Reversal of Deferred tax liability on Special Reserve
As required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve created under section 36(1)(viii) of the Income-tax Act, 1961. The Company believes that the Special Reserve will not be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with Ind AS 12 on Income Taxes.

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 4A. Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents			
Cash on hand	5.54	0.65	10.12
Cheques in hand	-	-	38.41
Balance with banks			
-In current accounts	3,117.66	8,870.80	4,018.52
Fixed deposits (original maturity less than or equal to three months)	1,000.07	380.22	4,001.37
Cash and cash equivalents	**4,123.27**	**9,251.67**	**8,068.42**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Other bank balances			
In earmarked accounts			
- Unclaimed interest and redemption proceeds of NCDs	14.58	1,073.35	12.02
Fixed deposits (original maturity less than or equal to three months) - lien marked	2,276.88	-	
Fixed deposits (original maturity more than three months)	2,145.94	2,483.28	1,956.92
Total	**4,437.40**	**3,556.63**	**1,968.94**

Out of the fixed deposits shown above:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Lien marked	2,476.34	190.89	628.18
Margin for credit enhancement	1,909.03	1,884.67	1,328.74
Total	**4,385.37**	**2,075.56**	**1,956.92**

Note 5. Derivatives financial instruments

(₹ in Millions)

Part I	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:									
-Cross currency interest rate swaps	3,630.75	-	292.08	3,630.75	-	150.27	3,630.75		413.13
Subtotal (i)	**3,630.75**	**-**	**292.08**	**3,630.75**	**-**	**150.27**	**3,630.75**	**-**	**413.13**
(ii) Other derivatives									
-Forward exchange contract	-	-	-	-	-	-	350.00	-	8.19
Subtotal (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**350.00**	**-**	**8.19**
Total derivative (i+ii)	**3,630.75**	**-**	**292.08**	**3,630.75**	**-**	**150.27**	**3,980.75**	**-**	**421.32**

(₹ in Millions)

Part II	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Cash flow hedging:									
- Currency derivatives	3,630.75	-	292.08	3,630.75	-	150.27	3,980.75	-	421.32
(ii) Undesignated derivatives	-	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii)	**3,630.75**	**-**	**292.08**	**3,630.75**	**-**	**150.27**	**3,980.75**	**-**	**421.32**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1.

(₹ in Millions)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2021						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,630.75**	**292.08**	-	-	3,630.75	292.08
As at March 31, 2020						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,630.75**	**150.27**	-	-	3,630.75	150.27
As at March 31, 2019						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,980.75**	**421.32**	-	-	3,980.75	421.32

5.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 50 Millions (March 31, 2020 USD 50 Millions and March 31, 2019 USD 55 Million) Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Company uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Notional amount	3,630.75	3,630.75	3,980.75
Carrying amount	292.08	150.27	421.32
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	(35.73)	(32.61)	(98.01)

(₹ in Millions)

Impact of hedging item	FY 2020-21	FY 2019-20	FY 2018-19
Change in fair value	(35.73)	(32.61)	(98.01)
Cash flow hedge reserve	(35.73)	(32.61)	(98.01)
Cost of hedging	-	-	-

(₹ in Millions)

Effect of Cash flow hedge	FY 2020-21	FY 2019-20	FY 2018-19
Total hedging gain / (loss) recognised in OCI	(35.73)	(32.61)	(98.01)
Line item in the statement of profit or loss	-	-	-

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Gain/(Loss) On Swap Transaction	(141.81)	271.05	(421.32)
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	94.06	(314.63)	176.08
Tax implication on above	12.02	10.97	147.23
Total	**(35.73)**	**(32.61)**	**(98.01)**

Note 6. Receivables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Trade receivables			
Receivables considered good - unsecured	308.23	181.63	291.39
Total - gross	**308.23**	**181.63**	**291.39**
Less: Impairment loss allowance	-	-	
Total	**308.23**	**181.63**	**291.39**

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.
Trade Receivables are not interest bearing.

Note 7. Loans

(₹ in Millions)

Particulars	As at March 31, 2021		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	126,720.45	23,523.44	150,243.89
Total (A) - Gross	**126,720.45**	**23,523.44**	**150,243.89**
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (A) - Net	**122,382.31**	**23,266.92**	**145,649.23**
(B)			
(i) Secured by tangible assets	124,813.75	23,488.53	148,302.28
(ii) Secured by Government Guarantee	1,881.62	34.91	1,916.53
(iii) Unsecured	25.08	-	25.08
Total (B) - Gross	**126,720.45**	**23,523.44**	**150,243.89**
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (B) - Net	**122,382.31**	**23,266.92**	**145,649.23**
(C)			
Loans in India	**126,720.45**	**23,523.44**	**150,243.89**
(i) Public sector	-	-	-
(ii) Others	126,720.45	23,523.44	150,243.89
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (C) - Net	**122,382.31**	**23,266.92**	**145,649.23**

(₹ in Millions)

Particulars	As at March 31, 2020		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	99,901.19	30,000.00	129,901.19
(ii) Inter-corporate deposits	1,535.10	-	1,535.10
Total (A) - Gross	**101,436.29**	**30,000.00**	**131,436.29**
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (A) - Net	**99,510.65**	**29,862.56**	**129,373.21**
(B)			
(i) Secured by tangible assets	99,901.19	30,000.00	129,901.19
(ii) Secured by Government Guarantee	-	-	-
(iii) Unsecured	1,535.10	-	1,535.10
Total (B) - Gross	**101,436.29**	**30,000.00**	**131,436.29**
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (B) - Net	**99,510.65**	**29,862.56**	**129,373.21**
(C)			
(I) Loans in India	**101,436.29**	**30,000.00**	**131,436.29**
(i) Public sector	-	-	-
(ii) Others	101,436.29	30,000.00	131,436.29
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (C) - Net	**99,510.65**	**29,862.56**	**129,373.21**

(₹ in Millions)

Particulars	As at March 31, 2019		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	100,362.27	35,000.00	135,362.27
(ii) Inter-corporate deposits	-	-	-
Total (A) - Gross	**100,362.27**	**35,000.00**	**135,362.27**
Less: Impairment loss allowance	(1,129.80)	(120.91)	(1,250.71)
Total (A) - Net	**99,232.47**	**34,879.09**	**134,111.56**
(B)			
(i) Secured by tangible assets	100,312.27	35,000.00	135,312.27
(ii) Secured by Government Guarantee	-	-	-
(iii) Unsecured	50.00	-	50.00
Total (B) - Gross	**100,362.27**	**35,000.00**	**135,362.27**
Less: Impairment loss allowance	(1,129.80)	(120.91)	(1,250.71)
Total (B) - Net	**99,232.47**	**34,879.09**	**134,111.56**
(C)			
(I) Loans in India	**100,362.27**	**35,000.00**	**135,362.27**
(i) Public sector	-	-	-
(ii) Others	100,362.27	35,000.00	135,362.27
Less: Impairment loss allowance	(1,129.80)	(120.91)	(1,250.71)
Total (C) - Net	**99,232.47**	**34,879.09**	**134,111.56**

The above Term Loans includes ₹ 1,924.04 Millions (as at March 31, 2020, ₹ 1,761.62 Millions and as at March 31,2019, ₹ 1,359.68 Millions) towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets, gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Secured loans include loans aggregating in ₹ 13.22 Millions (as at March 31, 2020, ₹ 32.73 Millions and as at March 31, 2019, ₹19.43 Millions) in respect of which the creation of security is under process.

Note 7.1:

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. These developments resulted in regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrower etc. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill . The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lockdown measures in various parts of the country. The impact of the second wave on the Company's results remains uncertain and dependent on future developments, which are often outside of the Company's control and accordingly, actuals may differ from the estimates used in the preparation of the financial statements on the reporting date.

The impact, including credit quality and provision, of the Covid-19 pandemic, on company, is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the company and the time it takes for economic activities to return to pre-pandemic levels. The Companies capital and liquidity position is strong.

The Supreme Court, in a writ petition, through its interim order dated September 3, 2020 had directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Pursuant to the Supreme Court's final order in Q4-2021 and the related RBI notification issued on April 7, 2021, the Company has classified these borrower accounts as per the extant IRAC Norms and the resultant provision have been suitably alligned.

Note 8. Investments

(₹ in Millions)

Particulars	As at March 31, 2021			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
Debt securities	-	125.97	-	125.97
Equity instruments	-	-	1,546.23	1,546.23
Total – Gross (A)	**-**	**125.97**	**1,546.23**	**1,672.20**
(B)				
(i) Investments in India	-	125.97	1,546.23	1,672.20
Total (B)	**-**	**125.97**	**1,546.23**	**1,672.20**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**-**	**125.97**	**1,546.23**	**1,672.20**

(₹ in Millions)

Particulars	As at March 31, 2020		
	FVTPL	At Amortised Cost	Total
(A)			
Debt securities	-	155.57	155.57
Equity instruments	378.52	-	378.52
Total – Gross (A)	**378.52**	**155.57**	**534.09**
(B)			
(i) Investments in India	378.52	155.57	534.09
Total (B)	**378.52**	**155.57**	**534.09**
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	**378.52**	**155.57**	**534.09**

(₹ in Millions)

Particulars	As at March 31, 2019		
	FVTPL	At Amortised Cost	Total
(A)			
Debt securities	-	-	-
Equity instruments	-	-	-
Total – Gross (A)	**-**	**-**	**-**
(B)			
(i) Investments in India	-	-	-
Total (B)	**-**	**-**	**-**
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	**-**	**-**	-

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2021	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	125.97
Equity instruments in Assosciate		
Samasta Microfinance Limited	80,203,334	1,546.23

Particulars	As at March 31, 2020	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	155.57
Equity instruments		
SBI Cards and Payment Services Limited	611,849	378.52

Note 9. Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Security deposit			
- Unsecured, considered good	15.46	20.58	20.12
- Unsecured, considered doubtful	8.46	8.09	8.29
Less: Provisions (Refer Note 9.1 below)	(8.46)	(8.09)	(8.29)
Interest strip asset on assignment	1,984.91	1,214.15	1,060.07
Other receivables	337.48	141.05	36.21
Total	**2,337.85**	**1,375.78**	**1,116.40**

Note 9.1. Provision on Security Deposits (₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening provision	8.09	8.29	6.38
Additions	0.37	0.63	1.91
Reductions	-	(0.83)	-
Closing provision	**8.46**	**8.09**	**8.29**

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2021 are as follows:

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	3.85	2.99	-	6.84
Provisions for expected credit losses	436.66	579.98	-	1,016.64
Provision for employee benefits	23.43	(6.95)	(3.92)	12.56
Fair value of derivative financial instruments	37.81	-	35.69	73.50
Ind AS 116	3.81	0.68	-	4.49
Fair value of financial instruments	21.00	(21.00)	1.92	1.92
Adjustment pertaining to income and expenses recognition based on effective interest rate	115.62	46.31	-	161.93
Total deferred tax assets (A)	**642.18**	**602.01**	**33.69**	**1,277.88**
Deferred tax liabilities:				
Provision for 36(1)(viia)	-	(76.60)	-	(76.60)
Interest spread on assigned loans	(305.58)	(193.99)	-	(499.57)
Total deferred tax liabilities (B)	**(305.58)**	**(270.59)**	**-**	**(576.17)**
Deferred tax assets (A+B)	**336.60**	**331.42**	**33.69**	**701.71**

Significant components of deferred tax assets and liabilities as at March 31, 2020 are as follows:

(₹ in Millions)

Particulars	Opening balance	Transfer In *{Refer note (a) below}*	Effect of Rate Change *{Refer note (b) below}*	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:						
Property, plant and equipment	2.55	-	(0.71)	2.01	-	3.85
Provisions for expected credit losses	372.36	69.06	(123.50)	118.74	-	436.66
Provision for employee benefits	16.91	-	(4.73)	9.86	1.39	23.43
Fair value of derivative financial instruments	147.23	-	(41.19)	-	(68.23)	37.81
Ind AS 116	-	-	-	3.81	-	3.81
Fair value of financial instruments	-	-	-	21.00	-	21.00
Adjustment pertaining to income and expenses recognition based on effective interest rate	167.57	-	(39.77)	(12.18)	-	115.62
Total deferred tax assets (A)	**706.62**	**69.06**	**(209.90)**	**143.23**	**(66.84)**	**642.18**
Deferred tax liabilities:						
Provision for 36(1)(viia)	(16.11)	-	4.51	11.60	-	-
Interest spread on assigned loans	(370.43)	7.97	94.29	(37.41)	-	(305.58)
Total deferred tax liabilities (B)	**(386.54)**	**7.97**	**98.80**	**(25.81)**	**-**	**(305.58)**
Deferred tax assets (A+B)	**320.08**	**77.03**	**(111.10)**	**117.43**	**(66.84)**	**336.60**

Significant components of deferred tax assets and liabilities as at March 31, 2019 are as follows:

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	1.22	1.33	-	2.55
Provisions for expected credit losses	366.93	5.43	-	372.36
Provision for employee benefits	9.22	2.68	5.01	16.91
Fair value of derivative financial instruments	-	-	147.23	147.23
Ind AS 116	-			-
Fair value of financial instruments				-
Adjustment pertaining to income and expenses recognition based on effective interest rate	140.75	26.82	-	167.57
Total deferred tax assets (A)	**518.12**	**36.26**	**152.24**	**706.62**
Deferred tax liabilities:				
Provision for 36(1)(viia)	(73.56)	57.45	-	(16.11)
Interest spread on assigned loans	(272.34)	(98.09)	-	(370.43)
Total deferred tax liabilities (B)	**(345.90)**	**(40.64)**	**-**	**(386.54)**
Deferred tax assets (A+B)	**172.22**	**(4.38)**	**152.24**	**320.08**

a. Transfer in during financial year 2019-2020 refers to the impact of deferred taxes on the purchase of mortgage loan portfolio from India Infoline Finance Limited (then holding Company of the Company) w. e. f. June 30, 2019. India Infoline Finance Limited merged into the ultimate holding Company IIFL Finance Limited (Formerly known as IIFL Holdings Limited) w.e.f. March 30, 2020.

b. The recently promulgated Taxation Laws (Amendment) Ordinance 2009 has inserted section 115BAA in the income Tax Act 1961 providing existing domestic companies with an option to pay tax at concessional rate of 22% plus applicable surcharge & cess. The reduced tax rates come with the consequential surrender of specified deductions & incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income tax Act 1961 for assessment year (AY) 20-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

These financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax assets (net) has been measured at the lower rate, with a one-time corresponding charges of ₹ 111.10 Millions to the Statement of Profit & Loss.

Note 11A. Investment Property

(₹ in Millions)

Particulars	Buildings
As at March 31, 2018	**-**
Additions	
Deductions/Adjustments	-
As at March 31, 2019	**-**
Additions	111.83
Deductions/Adjustments	-
As at March 31, 2020	**111.83**
Additions	-
Deductions/Adjustments	36.99
As at March 31, 2021	**74.84**

Accumulated Depreciation	
As at March 31, 2018	-
Depreciation for the year	-
Deductions/Adjustments	-
As at March 31, 2019	-
Depreciation for the year	-
Deductions/Adjustments	-
As at March 31, 2020	-
Depreciation for the year	4.79
Deductions/Adjustments	-
As at March 31, 2021	**4.79**

Net Block as at March 31, 2019	**-**
Net Block as at March 31, 2020	**111.83**
Net Block as at March 31, 2021	**70.05**

Note 11B. Property, Plant and Equipment

(₹ in Millions)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Total
As at March 31, 2018	**0.86**	**9.81**	**4.26**	**4.35**	**16.41**	**35.69**
Additions	-	5.07	2.77	3.10	31.35	**42.29**
Deductions/Adjustments	-	1.22	0.32	0.37	1.55	**3.46**
As at March 31, 2019	**0.86**	**13.66**	**6.71**	**7.08**	**46.21**	**74.52**
Additions	-	5.96	2.56	2.23	38.36	**49.11**
Deductions/Adjustments	-	2.62	1.17	0.83	29.85	**34.47**
As at March 31, 2020	**0.86**	**17.00**	**8.10**	**8.48**	**54.72**	**89.16**
Additions	-	2.39	0.51	0.53	10.68	**14.11**
Deductions/Adjustments	-	7.08	0.56	2.62	13.21	**23.47**
As at March 31, 2021	**0.86**	**12.31**	**8.05**	**6.39**	**52.19**	**79.80**
Accumulated Depreciation						
As at March 31, 2018	-	**2.90**	**1.18**	**1.48**	**3.68**	**9.24**
Depreciation for the year	-	3.46	1.69	2.02	12.63	**19.80**
Deductions/Adjustments	-	0.43	0.00	0.16	0.29	**0.88**
As at March 31, 2019	-	**5.93**	**2.87**	**3.34**	**16.02**	**28.15**
Depreciation for the year	-	3.31	1.67	1.60	21.05	**27.63**
Deductions/Adjustments	-	1.51	0.68	0.55	12.60	**15.34**
As at March 31, 2020	-	**7.72**	**3.86**	**4.39**	**24.47**	**40.44**
Depreciation for the year	-	2.50	1.44	1.40	21.10	**26.44**
Deductions/Adjustments	-	2.68	0.30	1.82	7.12	**11.92**
As at March 31, 2021	-	**7.55**	**5.00**	**3.97**	**38.45**	**54.96**
Net Block as at March 31, 2019	**0.86**	**7.73**	**3.84**	**3.74**	**30.19**	**46.37**
Net Block as at March 31, 2020	**0.86**	**9.28**	**4.24**	**4.09**	**30.25**	**48.72**
Net Block as at March 31, 2021	**0.86**	**4.76**	**3.05**	**2.42**	**13.74**	**24.84**

*During the financial year 2019-20, freehold Land was hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

During the year ended March 31, 2020 the Company has adopted Ind AS 116 – "Leases" with effect from April 01, 2019 and applied the standard to its leases retrospectively. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 has been recognised and "Right of use assets" has been recognised at an amount equal to the "Lease liability" as at that date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right of use lease assets" and interest accrued on "Lease liability". The Company has not restated the comparative information in this respect.

Statement showing movement in lease liabilities

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2019	**237.50**	**21.41**	**258.91**
Additions	46.09	2.20	**48.29**
Deductions/Adjustments	8.28	1.47	**9.75**
Finance cost accrued during the period	20.86	1.59	**22.45**
Payment of lease liabilities	56.78	9.63	**66.41**
Translation Difference	-	-	**-**
As at March 31, 2020	**239.39**	**14.10**	**253.49**
Additions	4.81	0.99	**5.80**
Deductions/Adjustments	67.62	2.70	**70.32**
Finance cost accrued during the period	16.60	0.81	**17.41**
Payment of lease liabilities	48.64	8.71	**57.35**
Translation Difference	-	-	-
As at March 31, 2021	**144.54**	**4.49**	**149.03**

Statement showing carrying value of right of use assets

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2019	**237.50**	**21.41**	**258.91**
Additions	46.09	2.20	**48.29**
Deductions/Adjustments	7.94	1.48	**9.42**
Depreciation	50.54	8.89	**59.43**
As at March 31, 2020	**225.11**	**13.24**	**238.35**
Additions	4.81	0.98	**5.79**
Deductions/Adjustments	61.61	2.51	**64.12**
Depreciation	40.60	7.74	**48.34**
As at March 31, 2021	**127.70**	**3.97**	**131.68**

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current lease liabilities	25.40	49.69	-
Non- Current lease liabilities	123.63	203.80	-

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Up to One year	36.76	69.10	-
One year to Two years	33.01	61.44	-
Two to Five years	76.86	125.37	-
More than Five years	44.94	64.55	-
Total	**191.57**	**320.46**	**-**

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Interest on lease liabilities	17.42	22.45	-
Variable lease payments not included in the measurement of lease liabilities	-	-	-
Income from sub-leasing right-of-use assets	-	-	-
Expenses relating to short-term leases	-	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.82	2.37	-
Total	**19.24**	**24.82**	**-**

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total cash outflow for leases	57.35	66.41	-

Note 12B. Other Intangible Assets (Other than internally generated)

(₹ in Millions)

Particulars	Computer Software
As at March 31, 2018	**4.72**
Additions	3.60
Deductions/Adjustments	-
As at March 31, 2019	**8.32**
Additions	1.51
Deductions/Adjustments	-
As at March 31, 2020	**9.83**
Additions	0.16
Deductions/Adjustments	-
As at March 31, 2021	**9.99**

Accumulated Depreciation	
As at March 31, 2018	**2.05**
Depreciation For the year	2.98
Deductions/Adjustments	-
As at March 31, 2019	**5.03**
Depreciation For the year	1.86
Deductions/Adjustments	-
As at March 31, 2020	**6.89**
Depreciation For the year	1.84
Deductions/Adjustments	
As at March 31, 2021	**8.73**

Net Block as at March 31, 2019	**3.29**
Net Block as at March 31, 2020	**2.94**
Net Block as at March 31, 2021	**1.26**

Note 13. Other Non Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capital Advance	1.82	0.53	0.52
Prepaid Expenses	27.19	31.13	15.51
Others	2.44	3.78	13.37
Gratuity Advance	5.90	-	-
Total	**37.35**	**35.44**	**29.40**

Note 14. Assets held for Sale

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets held for sale	139.46	-	-

Note 15. Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	351.58	290.74	477.45
Total	**351.58**	**290.74**	**477.45**

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The Company had requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 and is in the continuous process of obtaining such confirmation from its suppliers. The disclosure relating to unpaid amount as at the year-end together with interest paid/payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006.

(₹ in Millions)

Particulars	FY 2020-2021	FY 2019-2020	FY 2018-2019
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Note 16. Debt Securities

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured:			
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	21,027.50	23,667.61	24,127.03
Unsecured:			
Commercial Paper - (Refer Note (c) and 16.1)	-	-	6,100.00
Less: Discount on Commercial Paper (Refer Note (c))			(66.39)
Total (A)	**21,027.50**	**23,667.61**	**30,160.64**
Debt securities in India	21,027.50	23,667.61	30,160.64
Debt securities outside India	-	-	-
Total (A+B)	**21,027.50**	**23,667.61**	**30,160.64**

a. The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 843.75 Millions (May 15, 2021 and every six months thereafter), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024).

c. Unexpired discount on Commercial Paper as at March 31, 2019 is ₹ 59.13 Millions towards discount accrued but not due.

Note 16.1 - Terms of repayment

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Secured NCD (A)						
(a) Fixed:						
More than 5 years	5,985.99	8.69% - 9.18%	3,300.00	9.18% - 10.33%	299.58	10.05% -10.33%
3- 5 Years	300.00	10.03% - 10.33%	-	-	344.89	8.61%
1-3 Years	-	-	550.00	8.90% - 9.38%	2,930.77	8.61% - 9.87%
Less than 1 year	2,067.06	8.00% - 9.38%	1,251.57	8.65% - 9.87%	3,149.14	7.50% -9.50%
Sub-Total (a)	**8,353.05**		**5,101.57**		**6,724.38**	
(b) Floating:						
More than 5 years	-	-	-	-	-	-
3- 5 Years	-	-	-	-	-	-
1-3 Years	281.25	8.56%	2,843.75	8.56% - 9.85%	1,997.72	9.20%
Less than 1 year	2,731.56	8.56% - 9.40%	755.77	8.56%	139.64	9.20%
Sub-Total (b)	**3,012.81**		**3,599.52**		**2,137.36**	
Total Secured NCD (a+b)	**11,365.86**		**8,701.09**		**8,861.74**	
Secured Zero Coupon (B)						
More than 5 years	370.00	8.60% - 8.62%	-	-	687.12	9.12% -10.30%
3- 5 Years	856.60	9.12% - 10.30%	761.38	9.12% - 10.30%	2,071.69	9.35% - 9.55%
1-3 Years	1,367.56	9.35% - 9.55%	7,730.65	8.20% - 10.20%	11,860.93	8.10% - 10.20%
Less than 1 year	7,067.48	8.20% - 10.20%	6,474.49	8.10% - 9.40%	645.55	8.10% - 9.55%
Total Secured Zero Coupon	**9,661.64**		**14,966.52**		**15,265.29**	
Unsecured (C)						
Commercial Paper	-		-			
Less than 1 year					**6,033.61**	8.70%-8.95%
Total (A+B+C)	**21,027.50**		**23,667.61**		**30,160.64**	

Note 16.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A10 Option Ii. Date Of Maturity 15/07/2019	9.50%	-	-	163.00
9.50% Secured Redeemable Non-Convertible Debentures. Series A10 Option I. Date Of Maturity 22/07/2019	9.50%	-	-	1,600.00
8.056% Secured Listed Redeemable Non Convertible Debentures. Series B8 Option A. Date Of Maturity 01/08/2019	8.10%	-	-	250.00
7.50% Secured Listed Redeemable Non Convertible Debentures. Series B6. Date Of Maturity 05/09/2019	7.50%	-	-	300.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B2 Option Ii. Date Of Maturity 08/10/2019	9.15%	-	-	80.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option Iii. Date Of Maturity 12/11/2019	8.85%	-	-	50.00
8.10% Secured Listed Redeemable Non Convertible Debentures. Series B7. Date Of Maturity 21/11/2019	8.10%	-	-	512.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C5. Date Of Maturity 06/04/2020	9.20%	-	350.00	380.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option Ii. Date Of Maturity 07/04/2020	8.85%	-	110.00	110.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A13. Date Of Maturity 20/04/2020	9.40%	-	2,500.00	2,500.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option I. Date Of Maturity 12/05/2020	8.85%	-	640.00	640.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B4. Date Of Maturity 12/05/2020	8.64%	-	180.00	180.00
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B5. Date Of Maturity 17/08/2020	8.10%	-	1,150.00	1,150.00
8.65% Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option A. Date Of Maturity 05/10/2020	8.65%	-	625.00	753.33
9.87% Secured Rated Listed Redeemable Non Convertible Debentures. Series C10. Date Of Maturity 20/11/2020	9.87%	-	500.00	502.45
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date Of Maturity 06/04/2021	8.20%	270.60	270.60	298.96
Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date Of Maturity 30/04/2021	8.70%	532.56	532.56	532.56
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date Of Maturity 19/05/2021	9.25%	500.00	500.00	500.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date Of Maturity 25/05/2021	8.80%	260.00	260.00	260.00
IDFC MCLR Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date Of Maturity 28/06/2021	9.85%	2,000.00	2,000.00	2,000.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date Of Maturity 15/07/2021	9.35%	240.00	240.00	240.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date Of Maturity 26/07/2021	9.35%	2,350.59	2,350.59	2,350.59
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date Of Maturity 05/08/2021	9.25%	250.00	250.00	250.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date Of Maturity 11/08/2021	9.35%	967.80	987.80	987.80
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date Of Maturity 26/10/2021	10.20%	100.00	100.00	100.00
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date Of Maturity 03/11/2021	8.90%	50.00	50.00	50.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date Of Maturity 24/01/2022	9.38%	500.00	500.00	500.00

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
8% Secured Redeemable Non Convertible Debentures. Series series D1. Maturity Date: 18/02/2022	8.00%	1,250.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	240.00	240.00	240.00
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	334.00	334.00	1,150.00
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	843.75	1,406.25	1,968.75
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	580.00	580.00	580.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	501.89	501.89	501.89
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	200.00	200.00	200.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	150.00	150.00	150.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	150.00	150.00	150.00
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	180.00	-	-
8.62% Secured Redeemable Non Convertible Debentures. Series.Series D4. Maturity Date: 12/03/2028	8.62%	190.00	-	-
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	3,000.00	3,000.00	-
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030.	8.69%	3,000.00	-	-
Total		**18,641.19**	**20,658.69**	**22,181.34**

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured:			
(a) Term loans			
(i) from Banks (Refer Note (a), (b) and 17.1)	61,986.61	68,370.88	64,146.22
(ii) from NHB (Refer Note (a), (b) and 17.2)	27,455.97	19,485.06	15,835.32
(iii) from Financial Institution (Refer Note (b) and 17.3)	8,872.60	-	
(b) Securitisation Liability (Refer Note 17.4)	5,453.04	6,698.24	4,532.91
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	940.00	480.00	1,495.90
Total	**104,708.22**	**95,034.18**	**86,010.35**
Borrowings in India	101,057.33	91,298.92	82,595.50
Borrowings outside India	3,650.89	3,735.26	3,414.85
Total	**104,708.22**	**95,034.18**	**86,010.35**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 1,937.91 Millions (March 31, 2020 ₹ 5,039.31 Millions and March 31, 2019 ₹ 8,592.36 Millions) and Refinance Facility from NHB amounting to ₹ 10,317.52 Millions (March 31, 2020 ₹ 12,485.06 Millions and March 31, 2019 ₹ 15,835.32 Millions) are also guaranteed by Holding Company i.e. IIFL Finance Limited (Formerly known as IIFL Holdings Limited).

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:						
More than 5 years	5,702.69	7.80% - 9.50%	3,593.03	9.10% - 9.50%	-	-
3- 5 Years	7,116.04	7.60% - 10.00%	12,787.11	8.40% - 10.05%	16,807.15	8.45% - 10.00%
1-3 Years	29,645.77	7.50% - 10.00%	31,639.13	8.20% - 10.05%	32,626.97	8.45% - 10.20%
Less than 1 year	19,522.12	7.20% - 10.00%	20,351.61	8.00% - 10.05%	14,712.10	8.45% - 9.95%
Total	**61,986.62**		**68,370.88**		**64,146.22**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:						
More than 5 years	6,550.83	3.00% - 8.95%	6,425.64	4.86% - 8.95%	7,792.08	4.61% - 9.95%
3- 5 Years	6,149.08	3.00% - 8.95%	5,302.38	4.61% - 8.95%	3,078.69	4.61% - 9.95%
1-3 Years	7,366.22	3.00% - 8.95%	5,618.60	4.61% - 8.95%	3,309.70	4.61% - 9.95%
Less than 1 year	7,389.84	3.00% - 8.95%	2,138.44	4.61% - 8.95%	1,654.85	4.61% - 9.95%
Total	**27,455.97**		**19,485.06**		**15,835.32**	
	-		-			

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:						
More than 5 years	4,798.08	8.50% - 9.25%	-	-	-	-
3- 5 Years	1,727.40	8.50% - 9.25%	-	-	-	-
1-3 Years	1,604.98	8.50% - 9.25%	-	-	-	-
Less than 1 year	742.14	8.50% - 9.25%	-	-	-	-
Total	**8,872.60**		**-**		**-**	

Note 17. 4 - Terms of repayment of other loans

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:						
Cash credit / Overdraft from Banks (A)						
Less than 1 year	940.00	8.60% - 10.00%	480.00	8.50% -10.00%	1,495.90	8.70% -13.65%
Securitisation Liability (B)						
More than 5 years	3,852.23	6.45% - 8.20%	4,846.35	7.25% - 9.25%	3,015.53	7.25% - 7.90%
3- 5 Years	641.88	6.45% - 8.20%	756.21	7.25% - 9.25%	611.56	7.25% - 7.90%
1-3 Years	605.81	6.45% - 8.20%	667.77	7.25% - 9.25%	521.08	7.25% - 7.90%
Less than 1 year	353.12	6.45% - 8.20%	427.91	7.25% - 9.25%	384.74	7.25% - 7.90%
Sub-Total - Securitisation Liability	**5,453.04**		**6,698.24**		**4,532.91**	
Total (A+B)	**6,393.04**		**7,178.24**		**6,028.82**	

Note 18. Subordinated liabilities

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(A)			
Non-convertible debentures - Unsecured	4,366.73	4,748.75	6,843.32
Total	**4,366.73**	**4,748.75**	**6,843.32**
Subordinated Liabilities in India	4,366.73	4,748.75	6,843.32
Subordinated Liabilities outside India	-	-	-
Total	**4,366.73**	**4,748.75**	**6,843.32**

a. Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024) , ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025).

b. These debentures are subordinated to present and future senior indebtedness of the Corporation and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2021, 78% (as at March 31, 2020, 81% and as at March 31, 2019, 67%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
(a) Fixed:						
More than 5 years	1,515.46	8.85% - 9.85%	1,550.00	8.85% - 9.85%	1,550.00	8.85% - 9.85%
3- 5 Years	-	-	1,150.00	8.93% - 9.30%	1,150.00	8.93% - 9.30%
1-3 Years	650.00	8.93% - 9.30%	470.00	9.30% - 10.50%	2,247.31	9.30% - 12.00%
Less than 1 year	598.89	8.85% - 10.50%	154.14	8.85%-10.50%	240.26	8.85% - 12.00%
Total Fixed	**2,764.35**		**3,324.14**		**5,187.57**	
(b) Zero Coupon:						
More than 5 years	1,602.38	9.40%	1,424.61	9.40%	1,337.83	9.40%
1-3 Years					317.92	12.00%
Total Zero Coupon	**1,602.38**		**1,424.61**		**1,655.75**	
Total (a+b)	**4,366.73**		**4,748.75**		**6,843.32**	

Note 18.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
12% Unsecured Subordinate Non Convertible Debentures. Option I. Date Of Maturity 02/04/2020	12.00%	-	-	1,798.58
Unsecured Subordinate Non Convertible Debentures. Option Ii. Date Of Maturity 02/04/2020	12.00%	-	-	201.42
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo1. Date Of Maturity 26/07/2021	10.50%	170.00	170.00	170.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo2. Date Of Maturity 10/08/2021	10.50%	100.00	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date Of Maturity 25/01/2022	9.30%	100.00	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date Of Maturity 11/02/2022	9.30%	100.00	100.00	100.00
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	500.00	1,000.00	1,000.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	150.00	150.00	150.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	750.00	750.00	750.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	100.00	100.00	100.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	400.00	400.00	400.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	300.00	300.00	300.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	1,265.16	1,265.16	1,265.16
Total		**3,935.16**	**4,435.16**	**6,435.16**

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 19. Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Book overdraft*	4,505.78	-	3,862.93
Unclaimed interest and redemption proceeds of	14.26	1,070.55	9.74
Other Payables#	1,333.85	1,512.22	1,470.75
Total	**5,853.89**	**2,582.77**	**5,343.42**

* Book overdraft includes cheque issued towards disbursement to borrowers but not presented to banks as on March 31, 2021, March 31, 2020 and March 31, 2019.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.25 Millions (as at March 31, 2020. Nil/- and as at March 31, 2019, Nil/-) to the Investor Education and Protection Fund (IEPF). As of March 31, 2021, ₹ 0.05 Millions (as at March 31, 2020. Nil/- and as at March 31, 2019, Nil/-) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.16 Millions (as at March 31, 2020 ₹ Nil/- and as at March 31, 2019 ₹ 2.24 Millions/-).

2. In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2021 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits			
-Provision for Leave Encashment	47.76	36.80	33.87
-Provision for Gratuity (Refer 32.2)	-	11.60	2.74
-Provision for Bonus	78.02	111.70	95.80
Total	**125.78**	**160.10**	**132.41**

Note 20.1. Provision for Leave Encashment (₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening provision	36.80	33.87	17.31
Additions	28.18	14.86	36.51
Reductions	(17.22)	(11.93)	(19.95)
Closing provision	**47.76**	**36.80**	**33.87**

Note 20.2. Provision for Bonus (₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening provision	111.70	95.80	70.09
Additions	78.02	111.70	95.85
Reductions	(111.70)	(95.80)	(70.14)
Closing provision	**78.02**	**111.70**	**95.80**

Note 21. Other Non Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Statutory remittances	85.72	48.25	91.13
Advances from customers	1,044.48	116.45	283.05
Income received in advance	3.41	46.05	124.25
Total	**1,133.61**	**210.75**	**498.43**

Note 22. Equity

(a) The Authorised, Issued, Subscribed and fully paid up share capital
Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital			
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2020 - 152,000,000 and as at March 31, 2019 - 152,000,000)	1,520.00	1,520.00	1,520.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2020 20,000,000 and as at March 31, 2019 20,000,000)	200.00	200.00	200.00
Total	**1,720.00**	**1,720.00**	**1,720.00**
Issued, Subscribed and Paid Up			
Equity Share Capital			
20,968,181 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2020 20,968,181 and as at March 31, 2019 20,968,181)	209.68	209.68	209.68
Total	**209.68**	**209.68**	**209.68**

All the above equity shares are held by IIFL Finance Limited (Formerly Known as IIFL Holdings Limited) and its

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,968,181	209.68	20,968,181	209.68	19,968,181	199.68
Add: Issued during the year	-	-	-	-	1,000,000	10.00
Outstanding at the end of the year	**20,968,181**	**209.68**	**20,968,181**	**209.68**	**20,968,181**	**209.68**

(c) Terms/rights attached to equity shares:

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid						
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited) and its nominees	20,968,181	100.00%	20,968,181	100.00%	20,968,181	100.00%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) During the year ended March 31, 2019, the Company has issued and allotted 1,000,000 Equity shares, on right issue basis, having face value of ₹ 10 each at a premium of ₹ 990/- per share on November 30, 2018.

23. Other Equity

(₹ in Millions)

Particulars	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income			Total
						Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance as at April 01, 2018	**7,002.57**	**-**	**962.70**	**1,133.80**	**2,767.13**	**(4.09)**	**-**	**-**	**11,862.11**
Profit for the year	-	-	-	-	3,063.93	-	-	-	**3,063.93**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(98.01)	-	**(98.01)**
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	(9.33)	-	-	**(9.33)**
Equity Dividend	-	-	-	-	(41.94)	-	-	-	**(41.94)**
Dividend Distribution Tax	-	-	-	-	(8.62)	-	-	-	**(8.62)**
Transfer to General Reserve	-	938.60	-	(938.60)	-	-	-	-	**-**
Transfer to Special Reserve	-	-	613.00	-	(613.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve	-	-	-	221.55	(221.55)	-	-	-	**-**
Additions during the year (Net)	989.00	-	-	-	-	-	-	-	**989.00**
Balance as at March 31, 2019	**7,991.57**	**938.60**	**1,575.70**	**416.75**	**4,945.95**	**(13.42)**	**(98.01)**	**-**	**15,757.14**
Profit for the year	-	-	-	-	2,449.22	-	**-**	**-**	**2,449.22**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(32.61)	**-**	**(32.61)**
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	(4.12)	**-**	**-**	**(4.12)**
Equity Dividend	-	-	-	-	(314.52)	-	**-**	**-**	**(314.52)**
Dividend Distribution Tax	-	-	-	-	(64.65)	-	**-**	**-**	**(64.65)**
Transfer to General Reserve	-	500.00	-	(500.00)	-	-	**-**	**-**	**-**
Transfer to Special Reserve	-	-	493.00	-	(493.00)	-	**-**	**-**	**-**
Transfer to Debenture Redemption Reserve	-	-	-	83.25	(83.25)	-	**-**	**-**	**-**
Additions during the year (Net)	-	-	-	-	-	-	**-**	**-**	**-**
Balance as at March 31, 2020	**7,991.57**	**1,438.60**	**2,068.70**	**-**	**6,439.75**	**(17.54)**	**(130.62)**	**-**	**17,790.46**
Profit for the year	-	-	-	-	4,010.95	-	**-**	**-**	**4,010.95**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(35.74)	**-**	**(35.74)**
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	11.66	**-**	**-**	**11.66**
Equity Dividend	-	-	-	-	(524.20)	-	**-**	**-**	**(524.20)**
Dividend Distribution Tax	-	-	-	-	-	-	**-**	**-**	**-**
Transfer to General Reserve	-	-	-	-	-	-	**-**	**-**	**-**
Transfer to Special Reserve	-	-	805.00	-	(805.00)	-	**-**	**-**	**-**
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	**-**	-	-
Additions during the year (Net)	-	-	-	-	-	-	**-**	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-		(5.72)	**(5.72)**
Balance as at March 31, 2021	**7,991.57**	**1,438.60**	**2,873.70**	**-**	**9,121.50**	**(5.88)**	**(166.36)**	**(5.72)**	**21,247.41**

Note 24. Interest Income

(₹ in Millions)

Particulars	FY 2020-21		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans*	1,972.82	15,159.48	17,132.30
Interest income from investments	-	12.33	12.33
Interest on inter corporate deposits	-	427.93	427.93
Interest on deposits with Banks	-	214.07	214.07
Total	**1,972.82**	**15,813.81**	**17,786.63**

*In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2021 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

(₹ in Millions)

Particulars	FY 2019-20		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	3,620.30	12,371.26	15,991.56
Interest income from investments	-	12.28	12.28
Interest on inter corporate deposits	-	220.39	220.39
Interest on deposits with Banks	-	146.08	146.08
Total	**3,620.30**	**12,750.01**	**16,370.31**

(₹ in Millions)

Particulars	FY 2018-19		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	3,339.14	12,797.41	16,136.55
Interest income from investments	-	-	-
Interest on inter corporate deposits	-	1.71	1.71
Interest on deposits with Banks	-	145.69	145.69
Total	**3,339.14**	**12,944.81**	**16,283.95**

Note 25. Dividend Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Dividend income	40.71	-	-
Total	**40.71**	**-**	**-**

Note 26. Fees and Commission Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Fees & Other Charges	513.56	548.44	497.93
Insurance Commission	133.82	71.50	189.62
Total	**647.38**	**619.94**	**687.55**

Note 27. Net Gain on Fair Value Changes

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Net gain on financial instruments at FVTPL			
On trading portfolio			
- Investments	185.01	203.52	227.39
Total Net gain on fair value changes	**185.01**	**203.52**	**227.39**
Fair Value changes:			
-Realised	185.01	286.95	227.39
-Unrealised	-	(83.43)	-
Total Net gain on fair value changes	**185.01**	**203.52**	**227.39**

Note 28. Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Assignment of loans	770.76	176.89	280.71
Foreclosure of loans	95.25	-	
Bad debts recovery	43.92	57.97	3.75
Total	**909.93**	**234.86**	**284.46**

Note 29. Other Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Marketing, advertisement and support service fees	1,107.84	601.58	976.79
Total	**1,107.84**	**601.58**	**976.79**

Note 30. Finance Cost

(₹ in Millions)

Particulars	On Financial liabilities measured at Amortised Cost		
	FY 2020-21	FY 2019-20	FY 2018-19
Interest on inter-corporate deposits	0.00	0.98	-
Interest on borrowings (other than debt securities)	8,094.33	7,721.15	6,053.30
Interest on debt securities	1,882.47	2,312.19	4,225.48
Interest on subordinated liabilities	416.33	680.62	604.35
Other interest expense			
Interest on lease liabilities	17.42	22.45	-
Other borrowing cost	122.18	129.06	139.42
Total	**10,532.73**	**10,866.45**	**11,022.55**

Statement showing exchange fluctuation on account of foreign currency borrowings measured through Other Comprehensive Income:

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Revaluation Gain/(Loss) on Foreign currency loan	94.06	(314.63)	176.08
Recognised in Other Comprehensive Income	(94.06)	314.63	(176.08)

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Millions)

Particulars	FY 2020-21 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	119.08	2,185.32	2,304.40
Bad debts written off	-	412.47	412.47
Total	**119.08**	**2,597.79**	**2,716.87**

(₹ in Millions)

Particulars	FY 2019-20 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	16.53	455.25	471.78
Bad debts written off	-	822.23	822.23
Total	**16.53**	**1,277.48**	**1,294.01**

(₹ in Millions)

Particulars	FY 2018-19 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	48.06	(32.52)	15.54
Bad debts written off	-	183.32	183.32
Total	**48.06**	**150.80**	**198.86**

Note 32. Employee Benefits Expenses

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Salaries and wages	1,441.57	1,541.27	1,746.49
Contribution to provident and other funds (Refer Note 32.1)	54.82	59.98	50.63
Leave Encashment	22.81	14.49	23.71
Gratuity (Refer Note 32.2)	18.74	16.11	8.19
Staff welfare expenses	46.49	64.45	66.47
Total	**1,584.43**	**1,696.30**	**1,895.49**

The Group company i.e. IIFL Finance Limited, IIFL Securities Limited and IIFL Wealth Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 22.67 Millions (FY 2019-20 ₹ 31.66 Millions and FY 2018-19 ₹ 27.32 Millions) during the year on account of such costs and the same is forming part of Employee benefit expenses.

32.1 Defined Contribution Plans:

The Company has recognised the following amounts as an expense and included in the Employee Benefits Expenses.

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Contribution to Provident fund	27.82	31.57	23.86
Contribution to ESIC	3.87	4.42	7.49
Contribution to Labour Welfare Fund	0.23	0.21	0.07
Company contribution to EPS	21.68	23.09	19.21
Company contribution to NPS & IVTB	1.22	0.69	-
Total	**54.82**	**59.98**	**50.63**

32.2 Disclosures pursuant to Ind AS 19 on "Employee Benefits"

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Type of Benefit	Gratuity	Gratuity	Gratuity
Country	India	India	India
Reporting Currency	INR	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded	Funded
Starting Year	01-04-20	01-04-19	01-04-18
Date of Reporting	31-03-21	31-03-20	31-03-19
Period of Reporting	12 Months	12 Months	12 Months

Assumptions (Current Year)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Expected Return on Plan Assets	6.85%	6.84%	7.59%
Rate of Discounting	6.85%	6.84%	7.59%
Rate of Salary Increase	9.00%	9.00%	10.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 27.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 29% p.a. & thereafter 1% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Present Value of Benefit Obligation at the Beginning of the Year	73.96	51.29	26.44
Interest Cost	5.06	3.89	2.04
Current Service Cost	17.95	15.91	8.26
Past Service Cost	-	-	-
Liability Transferred In/ Acquisitions	6.22	0.77	0.14
Liability Transferred Out/ Divestment	(3.97)	(0.19)	(0.04)
Benefit Paid Directly by the Employer	(0.08)	(0.27)	-
Benefit Paid From the Fund	(6.62)	(1.80)	(0.10)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.61)	1.39	(0.57)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	(0.67)	14.51
Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.71)	3.64	0.61
Present Value of Benefit Obligation at the End of the Year	**82.06**	**73.96**	**51.29**

Table Showing Change in the Fair Value of Plan Assets

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Fair Value of Plan Assets at the Beginning of the Year	62.36	48.55	27.44
Interest Income	4.27	3.69	2.11
Contributions by the Employer	22.84	13.06	18.90
Benefit Paid from the Fund	(6.62)	(1.80)	(0.10)
Return on Plan Assets, Excluding Interest Income	5.11	(1.14)	0.20
Fair Value of Plan Assets at the End of the Year	**87.96**	**62.36**	**48.55**

Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present Value of Benefit Obligation at the end of the Year	82.06	73.96	51.29
Fair Value of Plan Assets at the end of the Year	87.96	62.36	48.55
Funded Status Surplus/ (Deficit)	5.90	(11.60)	(2.74)
Net (Liability)/Asset Recognised in the Balance Sheet	**5.90**	**(11.60)**	**(2.74)**

Net Interest Cost for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Present Value of Benefit Obligation at the Beginning of the Year	73.96	51.29	26.44
Fair Value of Plan Assets at the Beginning of the Year	(62.36)	(48.55)	(27.44)
Net Liability/(Asset) at the Beginning of the Year	**11.60**	**2.74**	**(1.00)**
Interest Cost	5.06	3.89	2.04
Interest Income	(4.27)	(3.69)	(2.12)
Net Interest Cost for Current Year	**0.79**	**0.20**	**(0.08)**

Expenses Recognised in the Statement of Profit and Loss for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Current Service Cost	17.95	15.91	8.26
Net Interest Cost	0.79	0.20	(0.07)
Past Service Cost	-	-	-
Expenses Recognised	**18.74**	**16.11**	**8.19**

Expenses Recognised in the Other Comprehensive Income (OCI) for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Actuarial (Gains)/Losses on Obligation For the Year	(10.47)	4.37	14.55
Return on Plan Assets, Excluding Interest Income	(5.11)	1.14	(0.20)
Net (Income)/Expense For the Year Recognised in OCI	**(15.58)**	**5.51**	**14.35**

Balance Sheet Reconciliation

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	11.60	2.74	(1.00)
Expenses Recognised in Statement of Profit and Loss	18.74	16.11	8.19
Expenses Recognised in OCI	(15.58)	5.51	14.35
Net Liability/(Asset) Transfer In	6.22	0.77	0.14
Net (Liability)/Asset Transfer Out	(3.97)	(0.19)	(0.04)
Benefit Paid Directly by the Employer	(0.08)	(0.27)	-
Employer's Contribution	(22.84)	(13.06)	(18.90)
Net Liability/(Asset) Recognised in the Balance Sheet	**(5.91)**	**11.60**	**2.74**

Category of Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Government of India Assets	-	-	-
State Government Securities	-	-	-
Special Deposits Scheme	-	-	-
Debt Instruments	-	-	-
Corporate Bonds	-	-	-
Cash And Cash Equivalents	-	-	-
Insurance fund	87.96	62.36	48.55
Asset-Backed Securities	-	-	-
Structured Debt	-	-	-
Other	-	-	-
Total	**87.96**	**62.36**	**48.55**

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Ind AS 19 “Employee Benefits”.

Other Details

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Prescribed Contribution For Next Year (12 Months)	10.43	29.55	18.64

Net Interest Cost for Next Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Present Value of Benefit Obligation at the End of the Year	82.06	73.96	51.29
Fair Value of Plan Assets at the End of the Year	(87.96)	(62.36)	(48.55)
Net Liability/(Asset) at the End of the Year	**(5.90)**	**11.60**	**2.74**
Interest Cost	5.62	5.06	3.89
Interest Income	(6.02)	(4.27)	(3.68)
Net Interest Cost for Next Year	**(0.40)**	**0.79**	**0.21**

Expenses Recognized in the Statement of Profit or Loss for Next Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Current Service Cost	16.33	17.95	15.90
Net Interest Cost	(0.40)	0.79	0.21
Expected Contributions by the Employees	-	-	-
Expenses Recognised	**15.93**	**18.74**	**16.11**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Projected Benefits Payable in Future Years From the Date of Reporting			-
1st Following Year	2.79	0.93	0.93
2nd Following Year	0.72	0.64	0.41
3rd Following Year	0.85	0.73	0.49
4th Following Year	0.95	0.85	0.56
5th Following Year	1.05	0.94	0.65
Sum of Years 6 To 10	8.95	7.01	4.48
Sum of Years 11 and above	307.19	292.78	252.51

Sensitivity Analysis

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Projected Benefit Obligation on Current Assumptions	82.05	73.96	51.29
Delta Effect of +1% Change in Rate of Discounting	(12.92)	(12.16)	(8.59)
Delta Effect of -1% Change in Rate of Discounting	16.05	15.16	10.75
Delta Effect of +1% Change in Rate of Salary Increase	12.10	11.80	8.48
Delta Effect of -1% Change in Rate of Salary Increase	(10.84)	(10.40)	(7.33)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.44)	(2.50)	(2.18)
Delta Effect of -1% Change in Rate of Employee Turnover	2.81	2.89	2.50

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

Note 33. Other Expenses

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Advertisement*	20.04	22.94	21.02
Loan processing expenses	70.63	107.35	174.57
Marketing Expenses	19.55	48.82	58.86
Bank Charges	9.17	20.82	4.41
Communication	14.28	14.99	14.95
Electricity	14.01	25.50	20.68
Rating and Custodian Fees	1.18	16.41	8.17
Legal & Professional Fees	142.20	191.53	195.70
Commission & Sitting Fees	5.68	3.71	2.60
Miscellaneous Expenses	3.12	2.85	2.31
Office Expenses	60.05	64.60	56.04
Postage & Courier	6.48	8.74	13.43
Printing & Stationary	8.64	9.83	11.76
Rates & Taxes	1.02	0.30	1.18
Rent (Refer note 12A)	31.34	59.91	104.09
Repairs & Maintenance	7.30	8.08	7.49
Payments to auditors**	4.85	2.79	2.40
Software Charges*	27.63	32.73	20.25
Security Expenses	22.20	16.14	12.31
Travelling & Conveyance	26.21	58.05	58.37
Corporate Social Responsibility (CSR) Expenses (Refer note 40)	79.06	63.48	36.05
Loss on sale of assets	14.29	0.56	0.87
Total	**588.93**	**780.13**	**827.51**

***Payments made in foreign currency on accrual basis** (₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
For Software Charges	-	0.23	-
For Advertisement	-	-	4.34

****Payments to auditors** (₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Audit Fees	1.72	0.93	0.49
Limited Reviews	0.55	0.82	0.49
Other matters and certification	1.96	0.46	0.54
Out of Pocket Expenses	0.62	0.58	0.88
Total	**4.85**	**2.79**	**2.40**

Note 34. Income taxes

Amounts recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Current tax expense			
Current year	1,419.33	855.10	1,434.00
Tax of earlier years	0.97	(8.63)	(8.40)
Deferred tax expense			
Origination and reversal of temporary differences	(331.41)	(6.33)	4.38
Total	**1,088.89**	**840.14**	**1,429.98**

Reconciliation of total tax expense

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Profit before tax	**5,099.84**	**3,289.36**	**4,493.91**
Tax using the domestic tax rate	1,283.53	827.86	1,570.35
Tax effect of:			
Non-deductible expenses	21.37	13.31	12.53
Tax-exempt income (includes deduction u/s 80JJAA)	(204.85)	(105.52)	(207.54)
Tax on Dividend	(10.25)	-	-
Income taxed at different rates	(4.23)	(0.94)	(1.18)
Income routed through OCI		-	61.53
Change in Tax Rate	-	111.10	-
Recognition of previously unrecognised deductible temporary differences	2.34	2.96	2.68
Adjustments for current tax for prior periods	0.98	(8.63)	(8.40)
Total income tax expense	**1,088.89**	**840.14**	**1,429.98**

Note 35. Exceptional Items

During the year ended March 31, 2020, the Company has purchased mortgage loan portfolio from India Infoline Finance Limited (then holding Company of the Company) w.e.f. June 30, 2019. India Infoline Finance Limited merged into the ultimate holding Company IIFL Finance Limited (Formerly known as IIFL Holdings Limited) w.e.f. March 30, 2020. Day one loss on recognition aggregating to ₹ 15.04 Millions has been recorded as an exceptional item.

Note 36. Earnings Per Share:

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Ind AS 33 "Earnings per share"

(₹ in Millions)

Particulars		FY 2020-21	FY 2019-20	FY 2018-19
Nominal value of equity shares in ₹ fully paid up		10	10	10
BASIC				
Profit after tax as per Statement of Profit and Loss (Total operations)	A	4,010.95	2,449.22	3,063.93
Weighted Average Number of Equity Shares Outstanding	B	20,968,181	20,968,181	20,302,428
Basic EPS (In ₹) (i) Total operations	**A/B**	**191.29**	**116.81**	**150.91**
DILUTED				
Weighted Average Number of Equity shares for computation of diluted EPS	C	20,968,181	20,968,181	20,302,428
Diluted EPS (In ₹) (i) Total operations	**A/C**	**191.29**	**116.81**	**150.91**

Note 37. Capital / Other Commitments and Contingent Liabilities at Balance Sheet date

a. Commitments: There were undrawn credit commitments of ₹ 14,757.15 Millions as at March 31, 2021 (as at March 31, 2020, ₹ 12,718.37 Millions and as at March 31, 2019 ₹ 15,905.43 Millions) representing the loan amounts sanctioned but not disbursed.

b. Contingent Liabilities (as certified by the management):

i. Claim against the Company not acknowledge as debt ₹ 1.15 Millions for the year ended March 31, 2021 (as at March 31, 2020 ₹ Nil/- and as at March 31, 2019 ₹ 0.30 Millions).

ii. Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 1,900.56 Millions and ₹ 233.40 respectively as at March 31, 2021(as at March 31, 2020 ₹ 1,868.12 Millions and ₹ 233.40 Millions and as at March 31, 2019 ₹ 1,322.91 Millions and NIL/-).

c. Guarantee: The Company has provided Guarantee of ₹ Nil/- (For FY 19-20, ₹ 20.00 Millions and For FY 18-19, ₹ 20.00 Millions).

Note 38. Minimum Lease Rental as at March 31, 2019

(₹ in Millions)

Minimum Lease Rentals	FY 2018-19
Due for	
Up to One year	11.36
One to Five years	15.75
Total	**27.11**

Note 39. Disclosure as per Ind AS -108 "Operating Segments"

The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

Note 40. Corporate Social Responsibility

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
(a) Gross amount required to be spent by the Company during the year	78.05	63.16	36.04
(b) Amount spent in cash during the year on:			
(i) Construction/acquisition of any asset	-	-	
(ii) On purpose other than (i) above	79.06	63.48	36.05

The aforementioned amount spent during the year has been contributed to India Infoline Foundation and others.

Note 41 Financial Instruments

Note 41 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Financial Risk Management Structure

The Company has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Company being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

The Company has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

41 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the company monitors its portfolio, based on product, underlying security and credit risk characteristics.

41 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Company has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardize credit underwriting & improve sourcing quality in the long run.

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation, additional Management overlay on account of COVID-19 has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The company categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Company evaluates risk based on staging which are as follows:

(₹ in Millions)

Risk Categorisation	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Stage 1	137,579.44	121,756.08	128,988.41
Stage 2	9,366.35	7,279.85	5,008.93
Stage 3	3,298.10	2,400.36	1,364.93
Total	**150,243.89**	**131,436.29**	**135,362.27**

Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Company expects no defaults in the above mentioned financial assets and insignificant history of defaults has been observed by the Management in the previous years on such Financial Assets. Hence no ECL has been recognised on the above mentioned Financial assets as at the reporting date.

41 A.1(II) Credit quality analysis

(a). The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

As at March 31, 2021					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	4,123.27	**4,123.27**
Bank Balance other than above	-	-	-	4,437.40	**4,437.40**
Receivables					
(i) Trade Receivables	308.23	-	-	-	**308.23**
Loans	114,299.32	9,127.89	3,293.24	-	**126,720.45**
Other Financial assets	-	-	-	2,346.31	**2,346.31**

(₹ in Millions)

As at March 31, 2020					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	9,251.67	**9,251.67**
Bank Balance other than above	-	-	-	3,556.63	**3,556.63**
Receivables					
(i) Trade Receivables	-	-	-	181.63	**181.63**
Loans*	90,170.11	7,249.00	2,342.73	1,535.10	**101,296.94**
Other Financial assets	-	-	-	1,383.87	**1,383.87**

(₹ in Millions)

As at March 31, 2019					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	8,068.42	**8,068.42**
Bank Balance other than above	-	-	-	1,968.94	**1,968.94**
Receivables					**-**
(i) Trade Receivables	-	-	-	291.39	**291.39**
Loans*	94,064.52	4,991.22	1,345.18	-	**100,400.92**
Other Financial assets	-	-	-	1,124.69	**1,124.69**

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2020	**119,052.44**	**13,453.87**	**7,034.84**	**392.40**	**2,052.28**	**290.43**	**128,139.56**	**14,136.70**
New Loans Disbursed during the year	50,371.84	7,855.07	457.91	7.13	42.94	-	**50,872.69**	**7,862.20**
Loan Derecognised	(14,402.98)	(191.35)	(268.38)	(23.14)	(530.84)	(41.45)	**(15,202.20)**	**(255.94)**
Movement in Stages								**-**
From Stage 1	(6,474.07)	(456.91)	5,837.79	397.10	636.28	59.82	**-**	**-**
From Stage 2	3,198.41	140.21	(3,991.10)	(192.55)	792.69	52.33	**-**	**-**
From Stage 3	134.03	9.39	155.07	10.87	(289.10)	(20.26)	**-**	**-**
Loans Repaid in part or full	(15,259.79)	(5,828.71)	(221.06)	126.31	(9.35)	261.76	**(15,490.20)**	**(5,440.64)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	(73.80)	-	0.04	-	0.57	**-**	**(73.19)**
Closing EAD March 31, 2021	**136,619.88**	**14,907.77**	**9,005.07**	**718.16**	**2,694.90**	**603.20**	**148,319.85**	**16,229.13**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 14,305.09 Millions (As at March 31, 2020 ₹ 12,514.44 Millions)

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2019	**127,982.18**	**16,732.42**	**4,837.23**	**335.51**	**1,183.19**	**161.99**	**134,002.60**	**17,229.92**
New Loans Disbursed during the year	29,274.86	5,473.17	2,020.28	39.53	400.57	64.64	**31,695.71**	**5,577.34**
Loan Derecognised	(17,216.48)	(142.63)	(477.00)	(38.12)	(393.77)	(51.56)	**(18,087.25)**	**(232.32)**
Movement in Stages								
From Stage 1	(3,919.50)	(350.58)	3,323.34	269.61	596.16	80.97	**-**	**-**
From Stage 2	1,591.71	117.94	(2,139.21)	(159.59)	547.50	41.65	**-**	**-**
From Stage 3	174.95	22.83	50.50	4.43	(225.45)	(27.27)	**-**	**-**
Loans Repaid in part or full	(18,835.28)	(8,399.28)	(580.30)	(58.97)	(55.92)	20.01	**(19,471.50)**	**(8,438.24)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	**-**	**-**
Closing EAD March 31, 2020	**119,052.44**	**13,453.87**	**7,034.84**	**392.40**	**2,052.28**	**290.43**	**128,139.56**	**14,136.70**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 12,514.44 Millions (As at March 31, 2019 ₹ 15,831.60 Millions)

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2018	**120,076.13**	**14,728.51**	**4,030.99**	**283.01**	**902.24**	**152.54**	**125,009.36**	**15,164.06**
New Loans Disbursed during the year	66,203.37	9,961.10	203.10	28.33	82.88	-	**66,489.35**	**9,989.43**
Loan Derecognised	(34,513.55)	(692.49)	(264.59)	(6.71)	(255.13)	(83.92)	**(35,033.27)**	**(783.12)**
Movement in Stages	-	-	-	-	-	-	**-**	**-**
From Stage 1	(3,051.38)	(366.86)	2,511.41	350.50	539.97	16.36	**-**	**-**
From Stage 2	1,043.78	106.43	(1,314.75)	(128.07)	270.97	21.64	**-**	**-**
From Stage 3	52.95	3.93	124.74	11.31	(177.69)	(15.24)	**-**	**-**
Loans Repaid in part or full	(21,829.12)	(7,008.20)	(453.67)	(202.86)	(180.05)	70.61	**(22,462.84)**	**(7,140.45)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	**-**	**-**
Closing EAD March 31, 2019	**127,982.18**	**16,732.42**	**4,837.23**	**335.51**	**1,183.19**	**161.99**	**134,002.60**	**17,229.92**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 15,831.60 Millions (As at March 31, 2018 ₹ 13,984.21 Millions)

Loss Allowances

(₹ in Millions)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2020	**778.97**	**43.54**	**443.70**	**23.70**	**482.61**	**290.58**	**1,705.28**	**357.81**
New Loans Disbursed during the year	440.23	53.19	31.73	1.30	15.12	2.27	**487.07**	**56.76**
Loan Derecognised	(54.55)	(3.19)	(10.59)	(1.13)	(162.10)	(38.91)	**(227.24)**	**(43.23)**
Movement in Stages								
From Stage 1	(64.79)	(2.11)	60.83	1.90	3.95	0.21	**-**	**0.00**
From Stage 2	174.87	1.88	(276.98)	(13.11)	102.11	11.23	**-**	**0.00**
From Stage 3	34.70	9.39	39.46	10.88	(74.16)	(20.26)	**-**	**-**
Loans Repaid in part or full	710.07	4.90	525.68	27.57	626.52	363.47	**1,862.27**	**395.94**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	**-**	**-**
Closing ECL March 31, 2021	**2,019.50**	**107.60**	**813.83**	**51.11**	**994.05**	**608.59**	**3,827.38**	**767.28**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 87.28 Millions (As at March 31, 2020 ₹ 29.70 Millions).

(₹ in Millions)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2019	**580.00**	**48.62**	**165.39**	**11.17**	**283.55**	**161.99**	**1,028.94**	**221.78**
New Loans Disbursed /Purchased during the year	172.21	16.48	149.29	3.25	110.52	65.66	432.02	85.40
Loan Derecognised	(72.94)	(1.81)	(9.68)	(1.28)	(109.58)	(51.56)	(192.20)	(54.66)
Movement in Stages								
From Stage 1	(19.66)	(1.47)	16.67	1.16	2.99	0.31	-	0.00
From Stage 2	110.51	4.88	(116.94)	(5.99)	6.43	1.11	(0.00)	0.00
From Stage 3	39.81	22.83	11.73	4.43	(51.54)	(27.27)	-	-
Loans Repaid in part or full	(30.96)	(45.99)	227.24	10.96	240.24	140.33	436.52	105.29
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2020	**778.97**	**43.54**	**443.70**	**23.70**	**482.61**	**290.58**	**1,705.28**	**357.81**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 29.70 Millions (As at March 31, 2019 ₹ 37.17 Millions).

(₹ in Millions)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2018	**584.56**	**53.37**	**173.95**	**14.25**	**233.00**	**152.54**	**991.51**	**220.16**
New Loans Disbursed /Purchased during the year	262.99	26.86	1.94	0.58	19.46	6.29	284.39	33.73
Loan Derecognised	(132.18)	(3.54)	(30.80)	(0.75)	(64.33)	(83.93)	(227.31)	(88.22)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(16.28)	(1.93)	13.61	1.84	2.67	0.09	-	-
From Stage 2	67.51	4.09	(74.16)	(5.28)	6.64	1.19	-	-
From Stage 3	11.99	3.93	30.25	11.31	(42.24)	(15.24)	-	-
Loans Repaid in part or full	(198.59)	(34.16)	50.60	(10.78)	128.34	101.05	(19.65)	56.11
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2019	**580.00**	**48.62**	**165.39**	**11.17**	**283.55**	**161.99**	**1,028.94**	**221.78**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 37.17 Millions (As at March 31, 2018 ₹ 44.15 Millions).

41 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

For the year ended March 31, 2021, 63% of the Company's Loan outstanding is from Borrowers residing across 5 various states of India

41 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2019-20
Write off	412.47	822.23	183.32

41 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

41 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Amortised Cost of Modified Assets at the time of modification	4,515.80	-	3.28
Modification Loss / (Gain) for the year	73.27	-	(0.96)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of Modified financial assets	3,986.79	-	3.76

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification ''Resolution Framework for COVID-19-related Stress''.

41 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Company has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2021	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	292.08	-	-	-	292.08	-	-
Trade Payables	351.58	351.58	-	-	-	-	-
Lease Liabilities*	191.58	9.69	9.57	17.50	63.51	46.37	44.94
Debt Securities	21,027.50	4,523.06	5,024.82	2,318.21	1,648.81	1,156.61	6,355.99
Borrowings (Other than Debt Securities)	104,708.22	8,964.13	8,187.95	11,795.14	39,222.78	15,634.40	20,903.82
Subordinated Liabilities	4,366.73	31.09	367.15	200.65	650.00	-	3,117.84
Other financial liabilities	5,853.89	5,853.89	-	-	-	-	-

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2020	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	150.27	-	-	-	-	150.27	-
Trade Payables	290.74	290.74	-	-	-	-	-
Lease Liabilities*	320.46	17.06	17.34	34.70	106.75	80.06	64.55
Debt Securities	23,667.61	5,610.22	1,450.48	1,421.13	11,124.40	761.38	3,300.00
Borrowings (Other than Debt Securities)	95,034.18	5,574.10	6,395.73	11,140.13	38,213.49	18,845.71	14,865.02
Subordinated Liabilities	4,748.75	25.66	127.49	0.99	470.00	1,150.00	2,974.61
Other financial liabilities	2,582.77	2,582.77	-	-	-	-	-

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2019	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	421.32	-	8.19	-	-	413.13	-
Trade Payables	477.45	477.45	-	-	-	-	-
Lease Liabilities*	-	-	-	-	-	-	-
Debt Securities	30,160.64	6,470.37	2,524.58	972.99	16,789.42	2,416.58	986.70
Borrowings (Other than Debt Securities)	86,010.35	3,131.70	4,177.99	10,040.37	37,355.29	20,497.40	10,807.60
Subordinated Liabilities	6,843.32	52.34	126.98	60.94	2,565.23	1,150.00	2,887.83
Other financial liabilities	5,343.42	5,343.42	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

(ii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting year : (₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	710.00	1,420.00	1,717.10
- Expiring beyond one year (bank loans and NCDs)	-	-	-

41 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

41 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Company's Net Interest Income.

Total Borrowings of the Company are as follows:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Floating rate borrowings	80,265.07	79,148.65	72,312.40
Fixed rate borrowings	49,837.38	44,301.89	50,701.91
Total borrowings	**130,102.45**	**123,450.54**	**123,014.31**

As at the end of the reporting year, the Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.54%	77,252.26	59.38%	9.10%	75,549.13	61.20%	8.98%	70,175.04	57.05%
Non Convertible Debentures	9.15%	3,012.81	2.32%	9.32%	3,599.52	2.92%	9.20%	2,137.36	1.74%
Net exposure to cash flow interest rate risk		**80,265.07**	**61.70%**		**79,148.65**	**64.11%**		**72,312.40**	**58.78%**

An analysis by maturities is provided in note 41 A 2(I) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps	9.36%	3,675.23	2.82%	9.36%	3,769.29	3.05%	9.36%	3,458.57	2.81%

The Company had following floating rate loans outstanding:

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans*	11.66%	150,243.89	100.00%	11.87%	129,532.84	100.00%	11.90%	133,908.83	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

Particulars	Impact on profit after tax			Impact on other components of equity		
	FY 2020-21	FY 2019-20	FY 2018-19	FY 2020-21	FY 2019-20	FY 2018-19
Interest rates – increase by 30 basis points (30 bps) *	(180.19)	(177.69)	(141.13)	-	-	-
Interest rates – decrease by 30 basis points (30 bps) *	180.19	177.69	141.13	-	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Millions)

Particulars	Impact on profit after tax		
	FY 2020-21	FY 2019-20	FY 2018-19
Interest rates – increase by 30 basis points (30 bps) *	337.29	290.80	261.35
Interest rates – decrease by 30 basis points (30 bps) *	(337.29)	(290.80)	(261.35)

* Holding all other variables constant

41 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Company's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Company's operating units

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

(in Millions)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2021	3,675.23	50.00
Borrowing as on March 31, 2020	3,769.29	50.00
Borrowing as on March 31, 2019	3,808.57	55.00

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency risk on this borrowing.

41 A.3(III) Price Risk

The Company's equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Company periodically monitors the performance of the investee companies.

The Company's exposure to assets having price risk is as under

(₹ in Millions)

Particulars	Equity Shares	Total
Market value as on March 31, 2021	-	-
Market value as on March 31, 2020	378.52	**378.52**
Market value as on March 31, 2019	-	-

Sensitivity

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

(₹ in Millions)

Particulars	Impact on profit after tax			Impact on other components of equity		
	FY 2020-21	FY 2019-20	FY 2018-19	FY 2020-21	FY 2019-20	FY 2018-19
Increase by 5%	-	14.16	-	-	-	-
Decrease by 5%	-	(14.16)	-	-	-	-

41 A.3(IV) Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

41.B Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Net Debt (₹ in Millions)	130,102.45	123,450.53	123,014.31
Total Equity (₹ in Millions)	21,457.09	18,000.14	15,966.82
Net Debt to Equity Ratio (times)	6.06	6.86	7.70

41.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in Millions)

Particulars	As at March 31, 2021			
	FVTPL	FVTOCI	Amortised cost	At Cost
Financial assets				
Cash and cash equivalents	-	-	4,123.27	-
Bank Balance other than cash and cash equivalents	-	-	4,437.40	-
Receivables				
(i) Trade Receivables	-	-	308.23	-
Loans	-	23,266.92	122,382.31	-
Investments	-	-	125.97	1,546.23
Other Financial assets	-	-	2,337.85	-
Total financial assets	**-**	**23,266.92**	**133,715.03**	**1,546.23**
Financial liabilities				
Derivative financial instruments	-	292.08	-	-
Trade Payables	-	-	351.58	-
Lease Liabilities	-	-	149.03	-
Debt Securities	-	-	21,027.50	-
Borrowings (Other than Debt Securities)	-	-	104,708.22	-
Subordinated Liabilities	-	-	4,366.73	-
Other financial liabilities	-	-	5,853.89	-
Total financial liabilities	**-**	**292.08**	**136,456.95**	**-**

(₹ in Millions)

Particulars	As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	9,251.67
Bank Balance other than cash and cash equivalents	-	-	3,556.63
Receivables			
(i) Trade Receivables	-	-	181.63
Loans	-	29,862.56	99,510.65
Investments	378.52	-	155.57
Other Financial assets	-	-	1,375.78
Total financial assets	**378.52**	**29,862.56**	**114,031.93**
Financial liabilities			
Derivative financial instruments	-	150.27	-
Trade Payables	-	-	290.74
Lease Liabilities	-	-	253.49
Debt Securities	-	-	23,667.61
Borrowings (Other than Debt Securities)	-	-	95,034.18
Subordinated Liabilities	-	-	4,748.75
Other financial liabilities	-	-	2,582.77
Total financial liabilities	**-**	**150.27**	**126,577.54**

(₹ in Millions)

Particulars	As at March 31, 2019		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents			8,068.42
Bank Balance other than cash and cash equivalents			1,968.94
Receivables			
(i) Trade Receivables			291.39
Loans		34,879.09	99,232.47
Investments	-		-
Other Financial assets			1,116.40
Total financial assets	**-**	**34,879.09**	**110,677.62**
Financial liabilities			
Derivative financial instruments	-	421.32	
Trade Payables	-		477.45
Lease Liabilities	-	-	-
Debt Securities	-		30,160.64
Borrowings (Other than Debt Securities)	-		86,010.35
Subordinated Liabilities	-		6,843.32
Other financial liabilities	-		5,343.42
Total financial liabilities	**-**	**421.32**	**128,835.18**

41.B.2 Financial instruments measured at fair value – Fair value hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial assets				
Loans - FVTOCI	-	-	23,266.92	23,266.92
Investments			-	
(i) Equity	-	-	-	-
Total financial assets	**-**	**-**	**23,266.92**	**23,266.92**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	292.08	-	292.08
Total financial liabilities	**-**	**292.08**	**-**	**292.08**

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2020				
Financial assets				
Loans - FVTOCI	-	-	29,862.56	29,862.56
Investments				
(i) Equity	378.52	-	-	378.52
Total financial assets	**378.52**	**-**	**29,862.56**	**30,241.08**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	150.27	-	150.27
Total financial liabilities	**-**	**150.27**	**-**	**150.27**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2019				
Financial assets				
Loans - FVTOCI			34,879.09	34,879.09
Investments				
(i) Equity				-
Total financial assets	**-**	**-**	**34,879.09**	**34,879.09**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		421.32		421.32
Total financial liabilities	**-**	**421.32**	**-**	**421.32**

Valuation technique used to determine fair value

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
2. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(₹ in Millions)

Assets and liabilities which are measured at amortised cost or cost for which fair values are disclosed As at March 31, 2021	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	122,367.83	122,382.31	Level 3
Investments			
(i) Equity Instruments	1,623.77	1,546.23	Level 3
Total financial assets	**123,991.60**	**123,928.54**	
Financial Liabilities			
Debt Securities	19,517.03	21,027.50	Level 3
Subordinated Liabilities	4,035.09	4,366.73	Level 3
Total financial liabilities	**23,552.12**	**25,394.23**	

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2020	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	99,510.65	99,510.65	Level 3
Total financial assets	**99,510.65**	**99,510.65**	
Financial Liabilities			
Debt Securities	20,353.31	23,667.61	Level 3
Subordinated Liabilities	4,206.11	4,748.75	Level 3
Total financial liabilities	**24,559.42**	**28,416.36**	

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2019	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	99,232.47	99,232.47	Level 3
Total financial assets	**99,232.47**	**99,232.47**	
Financial Liabilities	-		
Debt Securities	27,891.13	30,160.64	Level 3
Subordinated Liabilities	6,037.69	6,843.32	Level 3
Total financial liabilities	**33,928.82**	**37,003.96**	

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Equity instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Short-term financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

41.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Millions)

Particulars	Loans - FVTOCI		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Balance	29,862.56	34,879.09	23,761.00
Sold during the year	(14,887.13)	(20,832.52)	(36,573.57)
Issuances	8,291.49	15,815.99	47,691.66
Closing Balance	**23,266.92**	**29,862.56**	**34,879.09**

41.B.4 Transferred financial assets that are derecognised in their entirety

For the year ended March 31, 2021, March 31, 2020 and March 31, 2019 the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Millions)

Loans and advances	FY 2020-21	FY 2019-20	FY 2018-19
Carrying amount of derecognised financial assets	14,887.13	20,832.52	36,573.57
Gain from derecognition for the year	770.76	176.89	280.71

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets - **(₹ in Millions)**

Loans and advances	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of continuing involvement in derecognised financial assets	8,039.49	8,202.04	6,273.57

41.B.5 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Millions)

Securitisations	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of transferred assets measured at amortised cost	5,374.25	6,568.86	4,532.91
Carrying amount of associated liabilities	5,453.04	6,698.24	4,532.91
Fair value of assets	5,374.25	6,568.86	4,532.91
Fair value of associated liabilities	5,453.04	6,698.24	4,532.91

42. IIFL Home Finance Limited is exempt from preparation of consolidation of financial statements. The holding company i.e. IIFL Finance Limited (L67100MH1995PLC093797) will prepare consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 as amended by Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016

43.A Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure"

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited (formerly known as IIFL Holdings Limited)
Fellow Subsidiary & Associate	Samasta Microfinance Limited
Fellow Subsidiary	Clara Developers Private Limited (ceased w.e.f. July 26, 2020)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Wealth Management Limited
	IIFL Wealth Finance Limited
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	5Paisa Capital Limited
	India Infoline Foundation
Key Management Personnel and other Directors	Mr. S. Sridhar - Chairman and Independent Director
	Mr. Nirmal Jain - Non Executive Director
	Mr. R. Venkataraman - Non Executive Director
	Mr. Kranti Sinha - Independent Director
	Ms. Suvalaxmi Chakraborty - Independent Director
	Mr. AK Purwar- Independent Director
	Mr. Monu Ratra - Executive Director & CEO

List includes related parties with whom transactions were carried out during current or previous year.

43.B Significant transactions with related parties for the year ended March 31, 2021:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	333.59	-	-	-	333.59
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	46.61	-	46.61
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	28.17	-	28.17
Samasta Microfinance Limited	-	19.56	-	-	19.56
Interest Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	28.38	-	-	-	28.38
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6.47	-	-	-	6.47
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	71.50	-	71.50
Arranger fees Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	1.27	-	-	-	1.27
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	4.08	-	4.08
Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.00	-	0.00
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Short Term Benefit	-	-	-	38.61	38.61
Mr. Monu Ratra - Post Employment Benefit	-	-	-	0.32	0.32

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Sitting Fees paid to Directors					
Mr. Kranti Sinha	-	-	-	0.57	0.57
Mr. S. Sridhar	-	-	-	0.69	0.69
Ms. Suvalaxmi Chakraborty	-	-	-	0.48	0.48
Mr. AK Purwar	-	-	-	0.33	0.33
Commission to Directors					
Mr. Kranti Sinha	-	-	-	1.00	1.00
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Interim Dividend Payment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	524.20	-	-	-	524.20
Interim Dividend Received					
Samasta Microfinance Limited	-	40.10	-	-	40.10
ICD Taken					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	11,950.00	-	-	-	11,950.00
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3,570.00	-	3,570.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	20.00	-	20.00
ICD Returned					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3,570.00	-	3,570.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	11,950.00	-	-	-	11,950.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	20.00	-	20.00

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD/Loan Given					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	82,387.10	-	-	-	82,387.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	7,073.50	-	7,073.50
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	327.50	-	327.50
Samasta Microfinance Limited	-	1,000.00	-	-	1,000.00
ICD/Loan received back					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	82,387.10	-	-	-	82,387.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	8,039.50	-	8,039.50
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	569.10	-	569.10
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	327.50	-	327.50
Samasta Microfinance Limited	-	1,000.00	-	-	1,000.00
Purchase of Investment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	1,321.23	-	-	-	1,321.23
Equity Shares Allotment					
Samasta Microfinance Limited	-	225.00	-	-	225.00
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	45.13	-	45.13
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	1.27	-	1.27
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	30.15	-	-	-	30.15
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	5.63	-	5.63
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.91	-	1.91

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.00	-	0.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	9.94	-	-	-	9.94
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.01	-	0.01
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.07	-	0.07
IIFL Wealth Management Limited	-	-	-	-	-
5Paisa Capital Limited	-	-	0.11	-	0.11
ESOP					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.20	-	0.20
IIFL Wealth Management Limited	-	-	0.06	-	0.06
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.41	-	-	-	22.41

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.02	-	0.02
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	5.29	-	5.29
5Paisa Capital Limited	-	-	0.14	-	0.14
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	5.55	-	-	-	5.55
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.81	-	1.81
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	13.12	-	-	-	13.12
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.05	-	0.05
5Paisa Capital Limited	-	-	0.06	-	0.06
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.07	-	0.07
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	-	-	0.63	-	0.63
Payment of Assignment Transactions					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	902.18	-	-	-	902.18
Debentures Boughtback					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	500.00	-	-	-	500.00
IIFL Wealth Finance Limited	-	-	224.97	-	224.97

43 C. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.08	-	0.08
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.78	-	1.78

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	7.93	-	-	-	7.93
5paisa Capital Limited	-	-	0.09	-	0.09
IIFL Wealth Management Limited	-	-	0.01	-	0.01
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.06	-	0.06
Debt Securities Outstanding					
IIFL Wealth Finance Limited	-	-	218.00	-	218.00
Provision for Post Employment Benefits					
Mr. Monu Ratra	-	-	-	2.31	2.31
Commission Payable					
Mr. Kranti Sinha	-	-	-	1.00	1.00
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Corporate Guarantee					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	12,255.43	-	-	-	12,255.43

43 D. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Millions)

Name of Related Party	Outstanding as on March 31, 2021	Maximum Outstanding during the year
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	8,242.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	3,000.00
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	569.10
Samasta Microfinance Limited	-	1,000.00

43 E. Significant transactions with related parties for the year ended March 31, 2020:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	129.94	-	-	-	129.94
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	38.96	-	38.96
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	62.01	-	62.01
Interest Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	45.32	-	-	-	45.32
IIFL Wealth Finance Limited	-	-	5.14	-	5.14
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	16.20	-	-	-	16.20
Service Fees Expense on Assignment transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	0.77	-	-	-	0.77
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	58.62	-	58.62
Commission Charges					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	4.85	-	4.85
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	2.00	-	-	-	2.00
Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.04	-	0.04
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Short Term Benefit	-	-	-	55.42	55.42

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	-
Sitting Fees paid to Directors					
Mr. Kranti Sinha	-	-	-	0.48	0.48
Mr. S. Sridhar	-	-	-	0.51	0.51
Ms. Suvalaxmi Chakraborty	-	-	-	0.24	0.24
Mr. AK Purwar	-	-	-	0.12	0.12
Commission to Directors					
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Interim Dividend Payment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	314.52	-	-	-	314.52
ICD Taken					
IIFL Securities Limited (Formerly known as India Infoline Limited)			15,411.00		15,411.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	25,566.94	-	-	-	25,566.94
ICD Returned					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	15,411.00	-	15,411.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	25,566.94	-	-	-	25,566.94
ICD/Loan Given					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	67,796.20	-	-	-	67,796.20
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	33,983.20	-	33,983.20
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	4,695.60	-	4,695.60
ICD/Loan received back					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	67,796.20	-	-	-	67,796.20
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	33,017.20	-	33,017.20
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	4,126.50	-	4,126.50

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	68.37	-	68.37
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	6.00	-	6.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	42.28	-	-	-	42.28
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	9.97	-	9.97
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	6.09	-	6.09
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.17	-	0.17
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.11	-	-	-	22.11
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.00	-	0.00
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.45	-	0.45
IIFL Wealth Management Limited	-	-	-	-	-
5Paisa Capital Limited	-	-	0.46	-	0.46
ESOP					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.47	-	0.47
IIFL Wealth Management Limited	-	-	0.13	-	0.13
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	31.06	-	-	-	31.06
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.16	-	0.16
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	10.81	-	10.81
5Paisa Capital Limited	-	-	0.09	-	0.09
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6.99	-	-	-	6.99

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3.15	-	3.15
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	31.76	-	-	-	31.76
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.22	-	0.22
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.00	-	0.00
5Paisa Capital Limited	-	-	2.06	-	2.06
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.29	-	0.29
Payment towards Assignment Transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	4.24	-	-	-	4.24
Purchase of Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6,050.00	-	-	-	6,050.00
Payment of Assignment Transactions					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	954.16	-	-	-	954.16
Receipt towards Assignment Transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	9.29	-	-	-	9.29
Debentures Boughtback					
IIFL Wealth Finance Limited	-	-	739.83	-	739.83

43 F. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.02	-	0.02
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.41	-	0.41
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.89	-	-	-	22.89

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Receivable to Group/Holding Company					
IIFL Management Services Limited	-	-	0.03	-	0.03
Debt Securities Outstanding					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	500.00	-	-	-	500.00
Interest accrued on outstanding debt securities					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	30.46	-	-	-	30.46
Provision for Post Employment Benefits					
Mr. Monu Ratra	-	-	-	1.87	1.87
Commission Payable					
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Corporate Guarantee					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	17,524.37	-	-	-	17,524.37
ICD/Loan Given					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	966.00	-	966.00
IIFL Management Services Limited	-	-	569.10	-	569.10

Figures in brackets represents previous year's figures.

43 G. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Millions)

Name of Related Party	Outstanding as on March 31, 2020	Maximum Outstanding during the year
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	6,220.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	966.00	2,000.00
IIFL Management Services Limited	569.10	2,142.10

43 H. Significant transactions with related parties for the year ended March 31, 2019

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	24.67	-	-	-	24.67
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1.41	-	1.41
Interest Expense					
IIFL Finance Limited	27.64	-	-	-	27.64
IIFL Alternate Asset Advisors Limited	-	-	0.76	-	0.76
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited	12.41	-	-	-	12.41
Service Fees Expense on Assignment transaction					
IIFL Finance Limited	4.17	-	-	-	4.17
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	36.05	-	36.05
Other Borrowing Cost - Arranger fees					
IIFL Wealth Management Limited	-	-	53.64	-	53.64
Commission Charges					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	26.79	-	26.79
Samasta Microfinance Limited	-	6.14	-	-	6.14
Other Expenses - Rent Expenses					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	19.24	-	19.24
Other Expenses - Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.02	-	0.02

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Executive Director & CEO	-	-	-	56.25	56.25
Sitting Fees paid to Directors					
Mr. Kranti Sinha Director				0.39	0.39
Mr. S. Sridhar Director				0.30	0.30
Ms. Suvalaxmi Chakraborty- Independent Director				0.09	0.09
Commission to Directors					
Mr. S. Sridhar Director	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty- Independent Director	-	-	-	0.67	0.67
Interim Dividend Payment					
IIFL Finance Limited	41.94	-	-	-	41.94
ICD Taken					
IIFL Finance Limited	77,147.00	-	-	-	77,147.00
ICD Returned					
IIFL Finance Limited	77,147.00	-	-	-	77,147.00
ICD/Loan Given					
IIFL Finance Limited	4,410.00	-	-	-	4,410.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,500.00	(-)	1,500.00
ICD/Loan received back					
IIFL Finance Limited	4,410.00	-	-	-	4,410.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,500.00	-	1,500.00
Equity Shares Allotment					

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	1,000.00	-	-	-	1,000.00
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	45.69	-	45.69
IIFL Finance Limited	6.18	-	-	-	6.18
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	2.74	-	2.74
IIFL Finance Limited	26.99	-	-	-	26.99
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	12.03	(-)	12.03
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.31	-	1.31
IIFL Finance Limited	2.27	-	-	-	2.27
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.03	(-)	0.03
IIFL Finance Limited	26.12	-	-	-	26.12
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.00	(-)	0.00
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.12	-	0.12
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	13.84	-	13.84
5Paisa Capital Limited	-	-	0.03	-	0.03
IIFL Finance Limited	5.65	-	-	-	5.65
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.05	-	0.05

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	0.22	-	-	-	0.22
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.03	-	0.03
Payment towards Assignment Transaction					
IIFL Finance Limited	30.70	-	-	-	30.70
Receipt towards Assignment Transaction					
IIFL Finance Limited	68.54	-	-	-	68.54
Debenture Issued					
IIFL Alternate Asset Advisors Limited	-	-	510.00	-	510.00
IIFL Wealth Finance Limited	-	-	382.24	-	382.24
Debenture Redemption					
IIFL Alternate Asset Advisors Limited	-	-	147.13	-	147.13

43 I. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.05	-	0.05
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.94	-	0.94
IIFL Finance Limited	37.53	-	-	-	37.53
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.63	-	0.63
IIFL Finance Limited	0.50	-	-	-	0.50

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Receivable towards assignment					
IIFL Finance Limited	5.35	-	-	-	5.35
Payable towards assignment					
IIFL Finance Limited	1.89	-	-	-	1.89
Debt Securities Outstanding					
IIFL Finance Limited	500.00	-	-	-	500.00
Interest accrued on outstanding debt securities					
IIFL Finance Limited	30.34	-	-	-	30.34
Outstanding loan amount of securitised book purchased					
IIFL Finance Limited	125.48	-	-	-	125.48
Provision for Leave Encashment					
Mr. Monu Ratra - Executive Director & CEO	-	-	-	0.64	0.64
Provision for Gratuity					
Mr. Monu Ratra - Executive Director & CEO	-	-	-	0.83	0.83
Outstanding loan amount of securitised book sold					
IIFL Finance Limited	137.48	-	-	-	137.48

Figures in brackets represents previous year's figures.

43 J. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Millions)

Name of Related Party	Outstanding as on March 31, 2019	Maximum Outstanding during the year
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	1,000.00
IIFL Finance Limited	-	350.00

Note 44. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2021 **(₹ in Millions)**

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4,123.27	-	**4,123.27**
(b)	Bank balance other than (a) above	4,014.86	422.54	**4,437.40**
(c)	Receivables			
	(I) Trade receivables	308.23	-	**308.23**
(d)	Loans	30,849.89	114,799.34	**145,649.23**
(e)	Investments	4.23	1,667.97	**1,672.20**
(f)	Other financial assets	45.02	2,292.83	**2,337.85**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	143.57	**143.57**
(b)	Deferred tax assets (net)	-	701.71	**701.71**
(c)	Investment Property	-	70.05	**70.05**
(d)	Property, plant and equipment	-	24.84	**24.84**
(e)	Right of use assets	-	131.68	**131.68**
(f)	Other intangible assets	-	1.26	**1.26**
(g)	Other non-financial assets	30.61	6.74	**37.35**
(h)	Assets held for sale	139.46	-	**139.46**
	Total Assets	**39,515.57**	**120,262.53**	**159,778.10**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	292.08	**292.08**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	351.58	-	**351.58**
(c)	Lease Liabilities	25.40	123.63	**149.03**
(d)	Debt securities	11,866.10	9,161.40	**21,027.50**
(e)	Borrowings (other than debt securities)	28,947.22	75,761.00	**104,708.22**
(f)	Subordinated liabilities	598.89	3,767.84	**4,366.73**
(g)	Other financial liabilities	5,853.89	0.00	**5,853.89**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	312.59	-	**312.59**
(b)	Provisions	85.80	39.98	**125.78**
(c)	Other non-financial liabilities	1,133.61	-	**1,133.61**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	21,247.41	**21,247.41**
	Total liabilities and equity	**49,175.08**	**110,603.02**	**159,778.10**

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 44. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2020 (₹ in Millions)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	9,251.67	-	**9,251.67**
(b)	Bank balance other than (a) above	3,552.03	4.60	**3,556.63**
(c)	Receivables			
	(I) Trade receivables	181.63	-	**181.63**
(d)	Loans	38,039.43	91,333.78	**129,373.21**
(e)	Investments	385.34	148.75	**534.09**
(f)	Other financial assets	23.66	1,352.12	**1,375.78**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	128.05	**128.05**
(b)	Deferred tax assets (net)	-	336.60	**336.60**
(c)	Investment Property	-	111.83	**111.83**
(d)	Property, plant and equipment	-	48.72	**48.72**
(e)	Right of use assets	-	238.35	**238.35**
(f)	Other intangible assets	-	2.94	**2.94**
(g)	Other non-financial assets	32.78	2.66	**35.44**
(h)	Assets held for sale	-	-	**-**
	Total Assets	**51,466.54**	**93,708.40**	**145,174.94**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	150.27	**150.27**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	290.74	-	**290.74**
(c)	Lease Liabilities	49.69	203.80	**253.49**
(d)	Debt securities	8,481.83	15,185.78	**23,667.61**
(e)	Borrowings (other than debt securities)	23,397.96	71,636.22	**95,034.18**
(f)	Subordinated liabilities	154.14	4,594.61	**4,748.75**
(g)	Other financial liabilities	2,582.77	-	**2,582.77**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	76.14	-	**76.14**
(b)	Provisions	129.36	30.74	**160.10**
(c)	Other non-financial liabilities	210.75	-	**210.75**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	17,790.46	**17,790.46**
	Total liabilities and equity	**35,373.38**	**109,801.56**	**145,174.94**

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 44. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2019 **(₹ in Millions)**

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	8,068.42	-	**8,068.42**
(b)	Bank balance other than (a) above	1,968.94	-	**1,968.94**
(c)	Derivative financial instruments	-	-	
(c)	Receivables			
	(I) Trade receivables	291.39	-	**291.39**
	(II) Other Receivables	-	-	
(d)	Loans	40,423.25	93,688.31	**134,111.56**
(e)	Investments	-	-	**-**
(f)	Other financial assets	45.98	1,070.42	**1,116.40**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	141.15	**141.15**
(b)	Deferred tax assets (net)	-	320.08	**320.08**
(c)	Investment Property	-	-	**-**
(d)	Property, plant and equipment	-	46.37	**46.37**
(e)	Right of use assets	-	-	**-**
(f)	Other intangible assets	-	3.29	**3.29**
(g)	Other non-financial assets	26.63	2.77	**29.40**
(h)	Assets held for sale	-	-	**-**
	Total Assets	**50,824.61**	**95,272.39**	**146,097.00**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	8.19	413.13	**421.32**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	477.45	-	**477.45**
(c)	Lease Liabilities	-	-	**-**
(d)	Debt securities	9,967.94	20,192.70	**30,160.64**
(e)	Borrowings (other than debt securities)	18,247.67	67,762.68	**86,010.35**
(f)	Subordinated liabilities	240.26	6,603.06	**6,843.32**
(g)	Other financial liabilities	5,343.42	-	**5,343.42**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	242.84	-	**242.84**
(b)	Provisions	106.37	26.04	**132.41**
(c)	Other non-financial liabilities	498.43	-	**498.43**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	15,757.14	**15,757.14**
	Total liabilities and equity	**35,132.57**	**110,964.43**	**146,097.00**

45. RBI Disclosures

45 A. Disclosure made vide Notification no. DOR.No.BP.BC.63/21.04.048/2019-20 April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning

Covid 19 and its impact on business

RBI through its circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 on Covid-19 regulatory package permitted HFC's to grant a moratorium to their customers on the payment of instalments and/or interest, falling due between March 1, 2020 and August 31, 2020. The Company had accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies.

Post internal assessments and analysis company has provided moratorium to customers across different products. This moratorium will not impact the assets classifications of the accounts. Also extra provision in respect to these account is duly provided as per the regulatory notifications & ECL assessment.

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
Respective amounts in overdue categories, where the moratorium/deferment was extended	13,158.19^	13,555.14
Respective amount where asset classification benefits is extended*	-	2,566.53
Provisions made in terms of paragraph 5**	-	492.19
Provisions adjusted during the respective accounting periods against slippages and the residual provisions**	-	-
Residual provisions in terms of paragraph 6 of the circular**	-	492.19

^ Position as at February 29, 2020.

*As per Supreme Court Judgement assets classification benefit has been withdrawn. Consequently, there are no assets as on march 31, 2021 wherein assets classification benefit has been extended.

**The Company has made adequate provision for impairment loss allowances (as per ECL Model) for the year ended March 31, 2021.

45 B. Disclosure made vide Notification "RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21" dated August 06,2020 on Resolution Framework for COVID-19-related Stress.

(₹ in Millions)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window*	(B) exposure to accounts mentioned at (A) before implementation of the plan*	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	1064	1,259.78		-	-
Corporate persons	3	172.32			-
of which MSMEs	-	-	-	-	-
Others	229	356.45	-	3.04	-
Total	**1,296**	**1,788.55**	**-**	**3.04**	**-**

* Consists of all the cases where resolution plan has been implementated.

**The Company has made adequate provision for impairment loss allowances (as per ECL Model) for the year ended March 31, 2021.

45 C. Disclosure made vide Notification No - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on "Implementation of Indian Accounting Standards"

(₹ in Millions)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	137,577.71	2,043.02	135,534.69	851.73	1,191.29
	Stage 2	9,368.30	861.74	8,506.56	43.58	818.16
Subtotal		**146,946.01**	**2,904.76**	**144,041.25**	**895.31**	**2,009.45**
Non-Performing Asset						
Substandard	Stage 3	1,708.06	734.34	973.72	233.47	500.87
Doubtfull upto 1 year	Stage 3	1,022.57	501.30	521.27	208.38	292.92
1 to 3 years	Stage 3	643.65	358.13	285.52	197.43	160.70
More than 3 years	Stage 3	153.51	98.38	55.13	97.42	0.96
Subtotal for doubtful		**1,819.73**	**957.81**	**861.92**	**503.23**	**454.58**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**3,527.79**	**1,692.15**	**1,835.64**	**736.70**	**955.45**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norm	Stage 1	13,950.15	84.14	13,866.01	-	84.14
	Stage 2	354.94	3.14	351.80	-	3.14
	Stage 3	-	-	-	-	-
Subtotal for Other Items		**14,305.09**	**87.28**	**14,217.81**	**-**	**87.28**
Total	**Stage 1**	**151,527.86**	**2,127.16**	**149,400.70**	**851.73**	**1,275.43**
	Stage 2	**9,723.24**	**864.88**	**8,858.36**	**43.58**	**821.30**
	Stage 3	**3,527.79**	**1,692.15**	**1,835.64**	**736.70**	**955.45**
	Total	**164,778.89**	**4,684.19**	**160,094.70**	**1,632.01**	**3,052.18**

*Includes Assets held for sale aggregating to ₹ 139.46 Millions (Net of ECL Provision) for which disposal is under process as per SARFAESI Act.(Refer Note No. 14).

In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PDNo.109/22.10.106/2019-20 dated March 13,2020 on implementation of Indian Accounting Standards,Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at March 31,2021 and accordingly, no amount is required to be transferred to impairment reserve.

45 D. Annex III Schedule to the Balance Sheet

(₹ in Millions)

Particulars			As at March 31, 2021 Amount outstanding	As at March 31, 2021 Amount overdue	As at March 31, 2020 Amount outstanding	As at March 31, 2020 Amount overdue
Liabilities side						
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures : Secured	21,027.50	-	23,667.61	-
		: Unsecured	4,366.73	-	4,748.75	-
		(other than falling within the meaning of public deposits*)				
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	98,315.18	-	87,855.93	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits*	-	-	-	-
	(g)	Other Loans	-	-	-	-
		Securitisation Liability	5,453.04	-	6,698.24	-
		Cash credit / Overdraft from Banks	940.00	-	480.00	-
	* Please see Note 1 below					
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**					
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a	-	-	-	-
	(c)	Other public deposits	-	-	-	-
	* Please see Note 1 below					

Assets side				As at March 31, 2021 Amount outstanding	As at March 31, 2020 Amount outstanding
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured		150,448.72	129,901.19
	(b)	Unsecured		25.08	1,535.10
4	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i)	Lease assets including lease rentals under sundry debtors			
		(a)	Financial lease	-	-
		(b)	Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors			
		(a)	Assets on hire	-	-
		(b)	Repossessed Assets	-	-
	(iii)	Other loans counting towards asset financing activities			
		(a)	Loans where assets have been repossessed	-	-
		(b)	Loans other than (a) above	-	-
5	**Break-up of Investments**				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	378.52
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares	-	-
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	Long Term investments				
	1	Quoted			
		(i)	Share	-	-
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares	-	-
			(a) Equity	1,546.23	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	125.97	155.57
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-

6 Borrower group-wise classification of assets financed as in (3) and (4) above:
(Please see Note 2 below)

Category			As at March 31, 2021 Amount net of provisions Secured	Unsecured	Total	As at March 31, 2020 Amount net of provisions Secured	Unsecured	Total
1	**Related Parties ****							
	(a)	Subsidiaries	-	-	-	-	-	-
	(b)	Companies in the same group	-	-	-	-	1,535.10	1,535.10
	(c)	Other related parties	-	-	-	-	-	-
2	Other than related parties		145,788.69	-	145,788.69	127,838.11	-	127,838.11
Total			**145,788.69**	**-**	**145,788.69**	**127,838.11**	**1,535.10**	**129,373.21**

45 D. Annex III Schedule to the Balance Sheet

7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :** (Please see Note 3 below)						
	Category			**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1	Related Parties **					
		(a)	Subsidiaries	-	-	-	-
		(b)	Companies in the same group	1,623.77	1,546.23	-	-
		(c)	Other related parties	-	-	-	-
	2	Other than related parties		125.97	125.97	534.09	534.09
	Total						
	** As per notified Accounting Standard (Please see Note 3)						
8	**Other information**						
	Particulars			**Amount**		**Amount**	
	(i)	Gross Non-Performing Assets#					
		(a)	Related parties	-		-	
		(b)	Other than related parties	3,527.79		2,342.73	
	(ii)	Net Non-Performing Assets#					
		(a)	Related parties	-		-	
		(b)	Other than related parties	1,835.64		1,569.54	
	(iii)	Assets acquired in satisfaction of debt					

Note:
Assets classified as Assets held for sale are disclosed sepreatly in the financial statement as per requirements of IND AS 105. For the purpose of reporting above, such assets aggregating to ₹ 229.68 Millions and ₹ 139.46 Millions have been presented as a part of Gross Non Performing Assets and Net Non-Performing Assets respectively.

46. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

The below mentioned notes have been prepared as per Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 ("IND AS"). The comparative previous year figures, wherever applicable, have been presented on the basis of erstwhile IGAAP and hence may not be comparable.

46.1. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Millions)

No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
15	111,784.13	NA	80.82%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(ii) Top 20 large deposits (amount in Rs Millions and % of total deposits) – Not Applicable

(iii)Top 10 borrowings

(₹ in Millions)

Amount	% of Total Borrowings
100,863.54	77.53%

(iv) Funding Concentration based on significant instrument / product

(₹ in Millions)

Name of the Product	Amount	% of Total Liabilities*
Non Convertible Debentures	25,394.23	18.36%
Term Loans	98,315.18	71.08%
Securitisation	5,453.04	3.94%
Cash Credit / Overdraft Facilties	940.00	0.68%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(v) Stock Ratios

Stock Ratio	%
Commercial papers as a % of total liabilities	0%
Commercial papers as a % of total assets	0%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
Other short-term liabilities as a % of total liabilities	35.55%
Other short-term liabilities as a % of total assets	30.78%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time.

The Company also manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

46.2. Disclosure on Principal business criteria

Particulars	March 31, 2021
Total Housing Loans (%)	61.18%
Individual Housing Loans (%)	55.77%

*% of Total assets netted of intangible assets.

46.3. Other Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

I. Capital

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(i) CRAR %	22.98	23.71	21.02
(ii) CRAR - Tier I Capital (%)	19.61	18.35	15.82
(iii) CRAR - Tier II Capital (%)	3.37	5.36	5.20
(iv) Amount of subordinated debt raised as Tier- II Capital	3,935.16	4,435.16	6,435.16
(v) Amount raised by issue of Perpetual Debt Instruments	-	-	-

II) Reserve fund u/s 29C of NHB Act, 1987

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Balance at the beginning of the year			
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	1,844.41	1,458.16	896.23
b) Statutory Reserve U/s 29C of the NHB Act, 1987	224.29	117.54	66.47
Total	**2,068.70**	**1,575.70**	**962.70**
Addition/Appropriation/Withdrawal during the year			
Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	780.17	386.25	561.93
b) Amount transferred U/s 29C of the NHB Act, 1987	24.83	106.75	51.07
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-	-
Balance at the end of the year			
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	2,624.58	1,844.41	1,458.16
b) Statutory Reserve U/s 29C of the NHB Act, 1987	249.12	224.29	117.54
Total	**2,873.70**	**2,068.70**	**1,575.70**

III) Investments **(₹ in Millions)**

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
A) Value of Investments			
(i) Gross Value of Investments			
(a) In India*	1,747.04	617.51	-
(b) Outside India	-	-	-
(ii) Provision for Depreciation			
(a) In India	4.79	83.43	-
(b) Outside India	-	-	-
(iii) Net value of Investments			
(a) In India	1,742.25	534.09	-
(b) Outside India	-	-	-
B) Movement of provisions held towards depreciation on investments			
(i) Opening balance	83.43	-	-
(ii) Add: Provisions made during the year	4.79	83.43	-
(iii) Less: Write-off / Write back of excess provisions during the year	83.43	-	-
(iv) Closing balance	4.79	83.43	-

IV) Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) **(₹ in Millions)**

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(i) The notional principal of swap agreements	3,630.75	3,630.75	3,980.75
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks.		
(v) The fair value of the swap book	292.08	150.27	421.32

b. Exchange Traded Interest Rate (IR) Derivative

(₹ in Millions)

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

(₹ in Millions)

Particulars	March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Millions)

Particulars	March 31, 2019
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2019 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

c. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

To manage these risks, the compnay has board approved policy framework for derivatives, consistent with its general corporate responsibility for corporate governance. The management of derivative activity would be further integrated into the company's overall risk management system.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

Objectives of the policy
- Identify and manage the company's debt and related interest rate risk
- Reduce overall interest cost of the company
- Management of foreign currency positions, derivative transactions and related risks
- To evaluate and measure these risks and their sensitivity to operations
- Establish processes for monitoring and control of the risks as per policy
- Effective MIS and regular reporting of positions and risks to the Risk Management Committee

B. Quantitative Disclosure

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2021	March 31, 2021
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	292.08	-
(iii) Credit Exposure [2]		-
(iv) Unhedged Exposures	-	-

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2020	March 31, 2020
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	150.27	-
(iii) Credit Exposure [2]		-
(iv) Unhedged Exposures	-	-

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2019	March 31, 2019
(i) Derivatives (Notional Principal Amount) For hedging	3,980.75	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	421.32	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

V) Details on Securitisation

a) Securitisation transactions under SPV Structure sponsored by HFC (₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
1) No of SPVs sponsored by the HFC for securitisation transactions	9	9	8
2) Total amount of securitised assets as per books of the SPVs sponsored	5,374.25	6,408.61	4,388.06
3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet			
I) Off-balance sheet exposures towards Credit Enhancements	-	-	-
II) On-balance sheet exposures towards Credit Enhancements	1,437.69	1,437.69	899.87
4) Amount of exposures to securitisation transactions other than MRR			
I) Off-balance sheet exposures towards Credit Enhancements			
(a) Exposure to own securitizations	-	-	-
b) Exposure to third party securitizations	-	-	-
II) On-balance sheet exposures towards Credit Enhancements			
(a) Exposure to own securitizations	462.87	430.43	423.03
(b) Exposure to third party securitizations	-	-	-

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

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
(i) No. of accounts	-	-	3
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-	7.33
(iii) Aggregate consideration	-	-	11.40
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / (loss) over net book value	-	-	4.07

c) Details of Assignment transactions undertaken

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
(i) No. of accounts	10,967	11,305	19,488
(ii) Aggregate value (net of provisions) of accounts assigned	14,887.13	20,832.52	36,573.57
(iii) Aggregate consideration	14,887.13	20,832.52	36,573.57
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-

d) Details of non-performing financial assets purchased/sold

Details of non-performing financial assets purchased

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
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	-	-	-

Details of non-performing financial assets sold

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
(i) No. of accounts sold	-	-	3
(ii) Aggregate outstanding	-	-	34.84
(iii) Aggregate consideration received	-	-	11.40

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) As at March 31, 2021

(₹ in Millions)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	709.87	-	526.75	4,716.98	2,748.85	8,119.68	11,655.58	34,941.73	14,992.51	17,075.94	**95,487.89**
Market Borrowing	434.80	83.44	684.22	1,299.68	2,197.30	5,460.25	2,658.42	3,154.63	3,613.64	11,260.89	**30,847.27**
Foreign Currency Liabilities	-	-	-	116.38	-	-	-	3,650.89	-	-	**3,767.27**
Assets											
Advances	861.28	693.14	4,094.22	2,744.67	2,747.76	7,406.85	13,590.95	44,229.94	25,045.16	44,374.71	**145,788.68**
Investments	0.17	0.17	-	0.34	0.34	1.04	2.16	9.59	10.83	1,647.55	**1,672.19**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at March 31, 2020

(₹ in Millions)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	1,139.42	598.21	3,263.90	6,321.15	10,985.94	37,522.26	14,296.73	10,204.75	**84,332.36**
Market Borrowing	460.00	-	2,500.00	1,101.25	-	1,150.00	1,406.25	10,509.30	3,367.05	4,600.00	**25,093.85**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	3,769.30	-	**3,769.30**
Assets											
Advances	187.57	33.71	3.09	229.02	1,110.54	3,862.69	5,725.36	32,621.27	19,758.79	58,061.76	**121,593.80**
Investments	378.52	-	-	-	-	-	-	-	-	-	**378.52**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at March 31, 2019

(` in Millions)

Particulars	Upto 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 year	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	538.71	312.50	1,726.45	4,120.42	9,233.97	36,980.08	16,427.28	2,686.58	2,448.74	2,656.76	**77,131.48**
Market Borrowing	989.12	5,325.75	-	2,313.00	923.25	17,880.69	3,401.25	1,001.89	2,815.16	-	**34,650.11**
Foreign Currency Liabilities	-	-	346.10	-	-	-	3,458.57	-	-	-	**3,804.67**
Assets											-
Advances	3,521.35	3,500.27	3,501.44	5,125.18	8,817.39	36,287.77	23,463.06	12,748.03	8,836.45	23,724.65	**129,525.59**
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VII) Exposure

a) Exposure to Real Estate Market

(₹ in Millions)

Category	March 31, 2021	March 31, 2020	March 31, 2019
a) Direct exposure			
(i)Residential Mortgages-			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	138,854.54	99,444.15	104,587.10
(ii)Commercial Real Estate-			
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose 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;	11,619.26	24,094.95	26,617.81
(iii)Investments in Mortgage Backed Securities(MBS) and other securitized exposures-			
a. Residential	125.97	-	-
b. Commercial Real Estate	-	-	-
b)Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-	-

Exposure includes amount outstanding including principal and interest accrued.

b) Exposure to Capital Market

(₹ in Millions)

Category	March 31, 2021	March 31, 2020	March 31, 2019
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	378.52	-
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)	-	-	-

Note: Investments are shown as net of provision for mark to market.

c) Details of financing of parent company products: The Company does not have any exposure in financing of parent company products

d) Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC: The Company has not exceeded the SGL and GBL Limits.

e) Unsecured Advances: The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing. The Company does not have any unsecured advances other than those mentioned in Note 7.

f) Exposure to group companies engaged in real estate business

(₹ in Millions)

Description	March 31, 2021	March 31, 2020	March 31, 2019
i) Exposure to any single entity in a group engaged in real estate business	-	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-	-

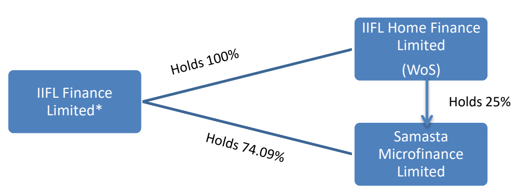
46.2. Miscellaneous

I) Details of registration obtained from other financial regulators: The Company is acting as corporate agent for general insurance business. It has obtained license from Insurance Regulatory and Development Authority of India (IRDA) (Registration Number CA0453).

II) Penalties imposed by NHB or any other regulators: During the year the company has paid a penaly of ₹ 1.85 Millions excluding GST.

III) Related Party Transactions: Related party transaction details have been disclosed under Note 43.

IV) Group Structure as on March 31, 2021:



*Formerly Known as IIFL Holdings Limited

REFORMATTED FINANCIAL STATEMENTS UNDER IND AS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

V) Note on Rating assigned by Credit Rating Agencies and migration of rating during the year

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2021

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	21,520.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	60,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Negative reaffirmed	32,640.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA / Negative Reaffirmed	4,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Negative Reaffirmed	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative Reaffirmed	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Negative [Double A; Outlook: Negative]	220.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00

b) Details of Migration of Ratings for the FY 2020-21

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2020-21	Rating in 2019-20
Non-Convertible Debentures (NCD)	CARE Ratings	220.00	CARE AA; Negative [Double A; Outlook: Negative]	CARE AA; Stable [Double A; Outlook: Stable]

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2020

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable	17,500.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable	45,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Negative	40,000.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA / Negative	6,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Negative	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable [Double A; Outlook: Stable]	4,000.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00

b) Details of Migration of Ratings for the FY 2019-20

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2019-20	Rating in 2018-19
Unsecured Subordinated NCDs	Brickwork Ratings	1,000.00	BWR AA+ 'Negative'	BWR AA+ Stable
Subordinated NCDs	Brickwork Ratings	2,350.00	BWR AA+ 'Negative'	BWR AA+ Stable
Secured NCDs	Brickwork Ratings	250.00	BWR AA+ 'Negative'	BWR AA+ Stable
Non-convertible Debenture Programme	ICRA Limited	40,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Subordinate Debt programme	ICRA Limited	6,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Long Term Fund Based Bank Lines Programme	ICRA Limited	50,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Long term principal protected market linked debenture programme	ICRA Limited	2,000.00	PP-MLD[ICRA]AA / Negative	PP-MLD[ICRA]AA(stable)

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2019

(` in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Secured NCDs Proposed	Brickwork Ratings	BWR AA+/Stable	250.00
Unsecured Subordinated NCD	Brickwork Ratings	BWR AA+/Stable	1,000.00
Subordinated NCD	Brickwork Ratings	BWR AA+/Stable	2,350.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable	40,000.00
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable	17,500.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	3,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+	50,000.00
Commercial Paper programme	ICRA Limited	[ICRA]A1+	50,000.00
NCD Programme	ICRA Limited	[ICRA]AA(stable)	40,000.00
Subordinate Debt Programme	ICRA Limited	[ICRA]AA(stable)	6,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA(stable)	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA(stable)	2,000.00
Non-Convertible Debentures	CARE Ratings	CARE AA; Stable	4,000.00

b) Details of Migration of Ratings for the FY 2018-19

(` in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2018-19	Rating in 2017-18
Non-Convertible Debentures (NCD)	CARE Ratings	40,000.00	CARE AA; Stable	CARE AA /Outlook positive

VI) Remuneration of Non-Executive Directors

(₹ in Millions)

Name of Directors	Remuneration Paid 2020-21	Remuneration Paid 2019-20	Remuneration Paid 2018-19
Mr. Kranti Sinha	1.57	0.48	0.39
Mr. S. Sridhar	1.69	1.51	1.30
Ms. Suvalaxmi Chakraborty	1.48	1.24	0.76
Mr. AK Purwar	0.33	0.12	-

VII) Management : Refer the Management Discussion and Analysis section

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

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. For any change in accounting policies refer Significant Accounting Policies Note 3.

IX) Revenue Recognition : No revenue recognition has been postponed pending the resolution of significant uncertainties

X) Applicability of Consolidation of Financial Statements: IIFL Home Finance Limited is exempt from preparation of consolidation of financial statements. The holding company i.e. IIFL Finance Limited (L67100MH1995PLC093797) will prepare consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 as amended by Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016.

46.3. Additional Disclosures

I) Details on Provisions and Contingencies
a) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in Millions)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2020-21	2019-20	2018-19
Provisions for depreciation on Investment	4.79	83.43	-
Provision made towards Income tax	1,088.89	651.28	1,341.78
Provision towards NPA	918.96	391.20	193.25
Provision for Standard Assets	**1,702.12**	**629.60**	**-13.50**
CRE – Residential	45.93	190.82	-15.42
CRE – Others	-32.67	6.78	-14.39
Others	1,688.86	432.00	16.31

b) Break up of Loans and Advances and Provisions thereon

(₹ in Millions)

Breakup of Loans and Advances and Provisions thereon	Housing			Non-Housing		
	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019
Standard Assets						
a) Total Outstanding Amount	99,871.14	82,351.88	88,722.56	47,074.87	39,222.67	41,381.75
b) Provisions made	1,836.19	663.36	314.43	1,155.84	485.64	178.17
Sub-Standard Assets			-			-
a) Total Outstanding Amount	732.20	733.76	606.28	975.85	634.08	245.93
b) Provisions made	259.84	377.63	367.26	474.50	358.81	159.38
Doubtful Assets - Category I			-			-
a) Total Outstanding Amount	577.30	241.59	166.57	445.27	94.56	52.13
b) Provisions made	254.19	170.41	126.49	247.11	70.04	40.63
Doubtful Assets - Category II			-			-
a) Total Outstanding Amount	369.99	170.55	59.97	273.66	131.71	20.67
b) Provisions made	184.40	157.34	51.33	173.73	118.77	17.82
Doubtful Assets - Category III			-			-
a) Total Outstanding Amount	69.59	-	2.02	83.92	-	0.07
b) Provisions made	42.91	-	2.02	55.47	-	0.07
Loss Assets						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Total						
a) Total Outstanding Amount	**101,620.22**	**83,497.78**	**89,557.40**	**48,853.57**	**40,083.02**	**41,700.55**
b) Provisions Amount	**2,577.53**	**1,368.74**	**861.53**	**2,106.65**	**1,033.26**	**396.07**

II) Details on drawn drown from reserves
The disclosure pertaining to drawn down from Reserves has been disclosed shown in Statement of Changes in Equity.

III) Concentration of Public Deposits, Advances, Exposures and NPAs

a) Concentration of Public Deposits: The Company, being a non-deposit taking housing finance company, does not hold any deposits from public.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	-	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-	-

b) Concentration of Loans & Advances

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	10,456.98	10,600.25	9,576.96
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	6.95%	8.71%	7.39%

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

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers / customers	11,261.20	11,712.10	10,750.58
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	6.82%	8.57%	7.30%

Note: Exposure includes amount outstanding including principal, interest overdue, interest accrued but not due and sanctioned but undisbursed.

d) Concentration of NPAs (₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Exposure to top ten NPA accounts	733.45	424.02	404.44

e) Sector wise NPAs - Percentage of NPAs to Total Advances in that sector

Sector	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019
A. Housing Loans			
1. Individuals	1.82%	1.52%	0.88%
2. Builders/Project Loans	0.75%	0.61%	1.44%
3. Corporates	-	-	-
4. Others (specify)	-	-	-
B. Non-Housing Loans			
1. Individuals	3.61%	1.91%	0.67%
2. Builders/Project Loans	4.21%	3.29%	2.89%
3. Corporates	3.56%	2.51%	0.65%
4. Others (specify)	-	-	-

*Includes Interest overdue and Accrued but not due.

IV) Movement of NPAs (₹ in Millions)

Particulars	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019
(I) Net NPAs to Net Advances (%)	1.24%	0.62%	0.30%
(II) Movement of NPAs (Gross)			
a. Opening balance	2,342.73	1,153.63	868.92
b. Additions during the year	1,942.60	1,512.87	763.62
c. Reductions during the year	(757.54)	(660.26)	(478.91)
d. Closing balance	**3,527.79**	**2,006.24**	**1,153.63**
(III) Movement of NPAs (Net)			
a. Opening balance	1,569.54	388.64	297.17
b. Additions during the year	793.66	648.32	352.89
c. Reductions during the year	(527.57)	(283.71)	(261.42)
d. Closing balance	**1,835.64**	**753.25**	**388.64**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a. Opening balance	773.19	765.00	571.76
b. Provisions made during the year	1,148.93	920.32	550.67
c. Write-off/write-back of excess provisions	(229.97)	(432.32)	(357.43)
d. Closing balance	**1,692.15**	**1,253.00**	**765.00**

*Closing and opening of Gross Non Performing Asset includes Interest Accrued and others of ₹ 603.20 Millions and ₹ 290.43 Millions respectively.

V) Overseas Assets (₹ in Millions)

Particulars	2020-21	2019-20	2018-19
N.A.	N.A.	N.A.	N.A.

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

(₹ in Millions)

Name of the SPV Sponsored	Domestic	Overseas
NA.	N.A.	N.A.

VII) Percentage of outstanding loans granted against the collateral gold jewellery to the outstanding total assets is ₹ Nil. (P.Y. ₹ Nil.)

VIII) Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries : The company have operations only in India and does not have any joint venture partners with regard to joint ventures and overseas subsidiaries.

46.4. Disclosure of Complaints

I) Details on Customer Complaints

Particulars	2020-21	2019-20	2018-2019
a) No. of complaints pending at the beginning of the year	24	21	7
b) No. of complaints received during the year	1,108	1,036	800
c) No. of complaints redressed during the year	1,099	1,033	786
d) No. of complaints pending at the end of the year	33	24	21

Customer complaints details as given above are as identified by the Company and relied upon by the auditors.

47. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

48. These reformatted financial statements were authorised for issue by the Company's Finance Committee of Board of Directors on June 15, 2021.

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: June 15, 2021

IIFL Home Finance Limited
Statement of dividend as per IND AS paid / proposed: **Annexure I**

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Share Capital (₹ in millions)		209.68	209.68	209.68
Shares outstanding at the end of the year		20,968,181	20,968,181	20,968,181
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	25.00	15.00	2.00
Total dividend on Equity Shares (₹ in millions)		524.20	314.52	41.94
Dividend Declared Rate (In %)	(c=b/a)	250.00%	150.00%	20.00%
Dividend tax (gross) on dividend (₹ in millions)		-	64.65	8.62

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: June 15, 2021

IIFL Home Finance Limited
Statement of Capitalization as at March 31, 2021 **Annexure II**

(₹ in Millions)

Particulars	Pre issue as at March 31,2021 (D)	Adjustment for the proceeds from Proposed issue (E)	* Post issue as at March 31, 2021 (F= D+E)
Debt			
Debt Securities & Subordinated Liabilities	25,394.23	50,000.00	75,394.23
Borrowings (Other than Debt Securities)	104,708.22	-	104,708.22
Total Debt (A)	**130,102.45**	**50,000.00**	**180,102.45**
Equity			
Equity and Share Capital	209.68	-	209.68
Other Equity	21,247.41	-	21,247.41
Non Controlling Interest	-	-	-
Total Equity (B)	**21,457.09**	**-**	**21,457.09**
Debt / Equity (C=A/ B)	**6.06**		**8.39**

* The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹50,000 millions from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: June 15, 2021

IIFL Home Finance Limited
STATEMENT OF ACCOUNTING RATIOS as per Ind AS (Standalone basis) **Annexure III**

1. Basic and Diluted Earnings per Share **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Weighted average number of equity shares outstanding for computation of Basic EPS (A)	20,968,181	20,968,181	20,302,428
Add: Potential equity shares (B)	-	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	20,968,181	20,968,181	20,302,428
Profit after Tax attributable to equity shareholders [₹ in millions] (D)	4,010.95	2,449.22	3,063.93
Nominal Value of share [in ₹]	10.00	10.00	10.00
Basic earnings per share [in ₹] (E=(D/A)) (not annualised)	191.29	116.81	150.91
Diluted earnings per share [in ₹] (F=(D/C)) (not annualised)	191.29	116.81	150.91

2. Return on Networth

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Profit after tax [₹ in millions] (A)	4,010.95	2,449.22	3,063.93
Average networth [₹in millions] (B) <Refer Note Below>	19,502.98	16,750.89	13,560.95
Return on networth (A/B) (Annualised)	20.57%	14.62%	22.59%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Number of equity shares (A)	20,968,181	20,968,181	20,968,181
Networth [₹ in million] (B) <Refer Note Below>	21,225.30	17,780.66	15,721.12
Net asset value per equity share (B/A)	1,012.26	847.98	749.76

4. Debt-equity ratio

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Debt [₹ in millions] (A) <Refer Note Below>	130,102.45	123,450.53	123,014.31
Equity [₹ in millions] (B)	21,457.09	18,000.14	15,966.82
Debt-equity ratio (A/B)	6.06	6.86	7.70

Notes: **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Share Capital	209.68	209.68	209.68
Reserve and Surplus	21,247.41	17,790.46	15,757.14
Total Equity (a)	**21,457.09**	**18,000.14**	**15,966.82**
Prepaid expense and Unamortised debenture issue expenses	231.79	219.48	245.70
Total (b)	**231.79**	**219.48**	**245.70**
Networth c= a-b	**21,225.30**	**17,780.66**	**15,721.12**
Average Networth (Refer Note a)	**19,502.98**	**16,750.89**	**13,560.95**
Total Debt			
(i) Debt Securities	21,027.50	23,667.61	30,160.64
(ii) Borrowings (Other than Debt Securities)	104,708.22	95,034.18	86,010.35
(iii) Subordinated Liabilities	4,366.73	4,748.75	6,843.32
Total Debt	**130,102.45**	**123,450.53**	**123,014.31**

a) Average Networth means sum of opening and closing Networth divided by two.

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: June 15, 2021

M. P. Chitale & Co.
Chartered Accountants
Hamam House, Ambalal Doshi Marg, Fort, Mumbai - 400 001 • Tel : 22651186/ 22653023 / 24 • Fax : 2265 5334 • E-mail : office@mpchitale.com

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED)

To
Board of Directors
IIFL Home Finance Limited
(Formerly known as India Infoline Housing Finance Limited)
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, MIDC,
Thane Industrial Area, Wagle Estate
Thane 400 604, Maharashtra, India

Introduction

1. We have examined the attached columnar financial statements as at and for the years ended March 31, 2018 and 2017 as per IGAAP (the "**Reformatted Financial Statements under IGAAP**") of IIFL Home Finance Limited **(Formerly known as India Infoline Housing Finance Limited)** ("the **Company**" or "the **Issuer**") comprising the Reformatted Statement of Assets and Liabilities as at March 31, 2018 and 2017, the Reformatted Statement of Profit and Loss and the Reformatted Statement of Cash Flows for the years ended March 31, 2018 and 2017 and the Statement of Significant Accounting Policies and Notes forming part thereof. The Reformatted Financial Statements under IGAAP including other financial information are to be included in the Draft Shelf Prospectus, Shelf Prospectus and respective Tranche Prospectus(es) (the "**Offer Documents**") for the purpose set out in paragraph 12 below. The Reformatted Financial Statements under IGAAP have been approved by the Finance Committee of Board of Directors of the Company, prepared in terms of the requirements of:

   a) Section 26 (1)(b)(i) of Part I of Chapter III of the Companies Act, 2013 (the "**Act**") read with Rule 4 of the Companies (Prospectus & Allotment of Securities) Rules, 2014; and

   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "**Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**").

Management's Responsibility for the Reformatted Financial Statements Under IGAAP and Other Financial Information

2. The management of the Company is responsible for the preparation of :

a) the Reformatted Financial Statements under IGAAP based on the audited financial statements of the Company as at and for the years ended March 31, 2018 and 2017 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "**Audited IGAAP Financial Statements**"), which have been approved by the Board of Directors at their meeting held on May 2, 2018 and May 3, 2017, respectively and audited by the previous auditors. The Reformatted Financial Statements under IGAAP have been prepared by the Management of the Company as described in Note 2.1 to the Reformatted Financial Statements under IGAAP.

b) Other financial information as at and for the years ended March 31, 2018 and 2017 approved by the Finance Committee of Board of Directors *vide* Resolution dated June 15, 2021:
- Statement of Dividend as per IGAAP enclosed as Annexure I;
- Statement of Accounting Ratios as per IGAAP enclosed as Annexure II.

The management of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Statements under IGAAP and other financial information. The Company's Board of Directors are responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

Auditors' Responsibilities

3. Our responsibility is to review, based on procedures we performed, that whether Reformatted Financial Statements under IGAAP and other financial information have been compiled by the management from the Audited IGAAP Financial Statements of the Company as at and for the years ended March 31, 2018 and 2017.

4. We have examined such Reformatted Financial Statements under IGAAP and other financial information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 1, 2021 in connection with the proposed public issue of Debentures / NCDs of the Company;

b) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”);

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Financial Statement under IGAAP ; and

d) The requirements of Section 26 (1)(b)(i) of the Act read with Rule 4 of the Companies (Prospectus & Allotment of Securities) Rules, 2014 and the Regulations.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other assurance and related services engagement issued by the ICAI. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Reformatted Financial Statements under IGAAP

5. The Audited IGAAP Financial Statements as at and for the years ended March 31, 2018 and 2017 have been audited by the previous auditors of the Company. For the purpose of our examination, we have relied on the Auditor’s Report issued by M/s Deloitte Haskins & Sells LLP, the previous statutory auditors of the Company on the Financial Statements for the year ended March 31, 2018 dated May 2, 2018 and the Auditor’s Report issued by M/s Sharp and Tannan Associates, the earlier statutory auditors of the Company on the Financial Statements for the year ended March 31, 2017, dated May 3, 2017. We have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the financial statements audited by the previous auditors for the said years.

6. The Audited IGAAP Financial Statements as at and for the years ended March 31, 2018 and 2017 reported upon by the previous auditors of the Company on which reliance has been placed by us, have been regrouped / reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the financial year ended March 31, 2018. The figures included in the Reformatted Financial Statements under IGAAP, do not reflect the effects of changes in accounting policies or events that occurred subsequent to the date of the reports of the previous auditors referred to in Para 5 above.

7. The Auditor’s Report on the Audited IGAAP Financial Statements issued by the previous statutory auditors for the financial year ended March 31, 2018 and 2017 dated May 2, 2018 and May 3, 2017 respectively was unmodified.

Opinion

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the report of the other auditors as mentioned in Para 5 above, we report that the Reformatted Financial Statements under IGAAP and Other Financial Information are prepared, in all material respect, on the basis described in Note 2.1 to the Reformatted Financial Statements under IGAAP.

Other Matter

9. In the preparation and presentation of Reformatted Financial Statements under IGAAP based on Audited IGAAP Financial Statements, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 5 above.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the previous statutory auditors, nor should this be construed as a new opinion on any of the financial statements referred to herein.

12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents prepared by the Company in connection with its proposed public issue of Secured Redeemable Non-Convertible Debentures and / or Unsecured Subordinated Redeemable Non-Convertible Debentures (the "**Debentures**" or the "**NCDs**") to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai, Maharashtra in connection with the proposed issue of Debentures / NCDs.

For M.P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Harnish Shah
Partner
Membership No.: 145160
UDIN: 21145160AAAAAN5211
Place: Mumbai
Date: June 15, 2021

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018 and MARCH 31, 2017

(₹ in Millions)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	199.68	199.68
(b) Reserves and Surplus	4	11,309.41	9,335.32
Sub-Total		**11,509.09**	**9,535.00**
(2) Non Current liabilities			
(a) Long-term borrowings	5	55,206.25	48,157.84
(b) Other long-term liabilities	6	698.75	946.56
(c) Long-term provisions	7	518.50	386.26
Sub-Total		**56,423.50**	**49,490.66**
(3) Current liabilities			
(a) Short-term borrowings	8	18,444.44	8,917.24
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		365.99	237.01
(c) Other current liabilities	10		
(i) Current maturities of long term borrowings		25,621.33	7,637.69
(ii) Others		11,623.41	8,674.99
(d) Short-term provisions	7	237.57	121.02
Sub-Total		**56,292.74**	**25,587.95**
TOTAL		**1,24,225.33**	**84,613.61**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	26.46	14.16
(ii) Intangible assets	11	2.67	3.15
(iii) Capital work-in-progress		3.32	2.67
Sub-Total		**32.45**	**19.98**
(b) Deferred tax assets (Net)	12	0.46	38.21
(c) Long-term loans & advances	13		
(i) Loans		1,13,176.52	77,340.90
(ii) Others		168.86	85.36
(d) Other non-current assets	14	139.58	52.50
Sub-Total		**1,13,485.42**	**77,516.97**
(2) Current assets			
(a) Current Investments	15	-	0.19
(b) Trade receivables	16	96.07	25.16
(c) Cash and cash equivalents	17	3,853.11	1,862.39
(d) Short-term loans & advances	13		
(i) Loans		5,340.00	4,244.59
(ii) Others		274.19	104.05
(e) Other current assets	14	1,144.09	840.28
Sub-Total		**10,707.46**	**7,076.66**
TOTAL		**1,24,225.33**	**84,613.61**
See accompanying notes forming part of the Reformatted Financial Statements	1-35		

As per our reports attached of even date

For M.P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

Place : Mumbai
Date : June 15,2021

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place : Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place : Gurugram

Ajay Jaiswal
Company Secretary
Place : Gurugram

Amit Gupta
Chief Financial Officer
Place : Gurugram

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

REFORMATTED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018 and MARCH 31, 2017

(₹ in Millions)

Particulars	Note No.	2017 - 18	2016 - 17
1. Revenue			
a. Revenue from operations	18	12,333.78	8,809.56
b. Other Income	19	352.88	253.57
Total Revenue (a+b)		**12,686.66**	**9,063.13**
2. Expenses			
a. Employee benefits expenses	20	1,450.11	1,105.93
b. Finance cost	21	7,251.29	5,854.57
c. Depreciation and amortisation expenses	11	11.51	6.64
d. Other expenses	22	567.28	480.23
e. Provisions & Write off	23	379.88	344.55
Total expenses		**9,660.07**	**7,791.92**
3. Profit before tax (1-2)		**3,026.59**	**1,271.21**
4. Tax expenses			
Current tax expense for current year		1,007.47	449.50
Deferred tax	12	37.74	(13.73)
Current tax expense relating to prior years		7.29	(0.14)
Total Tax expense		**1,052.50**	**435.63**
5. Profit for the year (3-4)		**1,974.09**	**835.58**
6. Earnings per share	24		
- Basic (in ₹)		98.86	49.78
- Diluted (in ₹)		98.86	49.78
Face Value Per Equity Share		10.00	10.00
See accompanying notes forming part of the Reformatted Financial Statements	1-35		

As per our reports attached of even date

For M.P. Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

Harnish Shah
Partner

R. Venkataraman
Director
(DIN: 00011919)
Place : Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place : Gurugram

Place : Mumbai
Date : June 15,2021

Ajay Jaiswal
Company Secretary
Place : Gurugram

Amit Gupta
Chief Financial Officer
Place : Gurugram

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

REFORMATTED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018 and MARCH 31, 2017

(₹ in Millions)

Particulars	2017-2018	2016-2017
Cash Flows from Operating Activities		
Profit before tax	**3,026.59**	**1,271.21**
Adjustments for:		
Depreciation and amortisation expenses	11.51	6.64
Gratuity	(1.25)	0.11
Compensated Absences	4.88	4.03
Provision for Sub standard and Doubtful Loans	238.46	158.60
Provision for Standard Loans	128.60	140.50
Interest Expense	7,164.63	5,778.64
Interest on financing activities	(11,202.94)	(8,184.26)
Interest on fixed deposits	(76.04)	(27.89)
Exchange fluctuation on Foreign Currency Term Loan	3.00	-
Profit from sale of Investments and trading activities	(73.58)	(121.09)
Loss on Sale of fixed assets (net)	0.99	0.02
Interest paid	(7,134.98)	(4,249.11)
Interest received on financing activities	10,861.49	7,959.28
Interest received on fixed deposits	70.54	27.77
Loss on buy back of Non Convertible Debentures	5.22	1.50
Loss on buy back of commercial papers	1.34	1.84
Operating Profit before Working Capital changes	**3,028.46**	**2,767.79**
Changes in Working Capital:		
Adjustments for (increase)/decrease in current and non-current assets	(168.28)	4.04
Adjustments for increase/(decrease) in current and non-current liabilities	2,711.54	3,102.75
Direct Taxes Paid	(997.33)	(412.65)
Cash generated from Operations	4,574.39	5,461.93
Loans (disbursed) / repaid (net)	(37,208.98)	(29,069.41)
Net cash used in Operating Activities (A)	**(32,634.59)**	**(23,607.48)**
Cash flow from Investing Activities		
Purchase of fixed assets	(26.14)	(8.09)
Sale of fixed assets	1.18	0.03
Fixed deposits placed	(1,338.15)	(934.04)
Fixed deposits matured	934.04	140.60
Purchase of investments	(2,66,665.87)	(2,37,025.83)
Proceeds from sale of investments	2,66,739.63	2,37,146.73
Net Cash used in Investing Activities (B)	**(355.31)**	**(680.60)**
Cash flow from Financing Activities		
Proceeds from fresh issue of shares	-	3,850.00
Redemption of redeemable non convertible prefernce shares	-	(300.00)
Proceeds from issue of Commercial Paper	1,38,420.00	93,850.00
Repayment of Commercial Paper	(1,28,901.34)	(92,851.84)
Proceeds/(Repayments) from short term borrowings	118.26	(182.17)
Proceeds from long term borrowings	40,300.60	33,289.00
Repayment of long term borrowings	(15,276.75)	(12,930.39)
Dividend paid (including Dividend Distribution Tax)	-	(39.17)
Net Cash from Financing Activities (C)	**34,660.77**	**24,685.43**
Net increase in cash and cash equivalents (A+B+C)	1,670.87	397.35
Cash and cash equivalents as at the beginning of the year	904.27	506.92
Cash and cash equivalents as at the end of the year	**2,575.14**	**904.27**
Earmarked balances with banks for:		
Interest on Non Convertible Debentures	24.49	24.08
Fixed Deposits under lien	1,253.48	934.04
Cash and cash equivalents as at the end of the year	**3,853.11**	**1,862.39**
See accompanying notes forming part of the Reformatted Financial Statements		

As per our reports attached of even date

For M.P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

Place : Mumbai
Date : June 15,2021

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place : Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place : Gurugram

Ajay Jaiswal
Company Secretary
Place : Gurugram

Amit Gupta
Chief Financial Officer
Place : Gurugram

1. Corporate Information:

IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited) is a wholly owned subsidiary of IIFL Finance Limited (Formerly known as IIFL Holdings Limited) w.e.f. March 30,2020 . IIFL Home Finance Limited received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL Home Finance LImited offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions"), as amended from time to time.

2. Significant Accounting Policies

2.1 Basis of preparation of Reformatted Financial Statements under IGAAP:

The Reformatted Statement of Assets and Liabilities as at March 31,2018 and March 31,2017 and the Reformatted Statement of Profit and Loss and the Reformatted Statement of Cash flows for the year ended March 31,2018 and March 31,2017 (together referred as 'Reformatted Financial Statements under IGAAP') have been compiled by the Management from the Audited Financial Statements of the Company for the year ended March 31,2018 and March 31,2017 ("Audited IGAAP Financial Statements ") adopted by the Board of Directors on May 02,2018 and May 03, 2017 respectively.

The Reformatted Financial Statements under IGAAP have been prepared by the management in connection with the proposed listing of secured and unsecured redeemable non-convertible debentures of the Company with BSE Limited and National Stock Exchange of India Limited (together 'the stock exchanges'), in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013, read with rules made thereunder; and
b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time.

The accompanying Reformatted Financial Statements under IGAAP are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting , unless otherwise stated, and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 along with the guidelines/directions issued by NHB as applicable to Housing Finance Companies.

The Reformatted Financial Statements for the year ended March 31,2017 under IGAAP have been prepared and presented by the Company in a manner consistent with the presentation / disclosure adopted for the Audited IGAAP Financial Statements for financial year ended March 31,2018 and accordingly, amounts in the Reformatted Financial Statements of March 31,2017 have been regrouped/reclassified wherever necessary, to conform to the classification adopted for the Audited IGAAP Financial Statements for financial year ended March 31,2018.

The Reformatted Financial Statements under IGAAP have not considered changes in accounting policies (if any) and have not been restated retrospectively.

The Reformatted Financial Statements under IGAAP are presented in Indian Rupees in millions and all values are rounded to millions except when otherwise as stated.

2.2 Prudential norms:

The Company follows NHB Directions, as amended from time to time, in respect of Income recognition, income from investments, accounting of investments, asset classification, provisioning and disclosures in the Balance Sheet. The Reformatted Financial Statements comply in all material aspect with the National Housing Bank Act, 1987 and NHB Directions, as amended from time to time.

2.3 Cash and cash equivalents (for purposes of Cash Flow statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement:

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.

2.5 Use of estimates:

The preparation of Reformatted Financial Statements, in conformity with IGAAP requires the management to make estimates and assumptions that affect in the reported amount of assets, liabilities (including contingent liabilities), income and expenses reported in the Reformatted Financial Statements. Management believes that the estimates used in the preparation of Reformatted Financial Statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known /materialise.

2.6 Fixed assets, depreciation and amortisation:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below.

Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold.

In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Individual assets / group of similar assets costing up to ₹ 5,000 are depreciated in full in the year of purchase. Leasehold Land is depreciated on a straight Line basis over the leasehold period.

Estimated useful life of the assets is as under:

Class of assets	Useful life
Buildings*	20 years
Computers*	3 years
Office equipment	5 years
Electrical equipment*	5 years
Furniture and fixtures*	5 years
Vehicles*	5 years
Computer Software (other than internally generated)	3 years

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.7 Assignment of loan portfolio:

De-recognition of loans assigned, in the books of the Company, is based on the concept of surrender of control over the loans resulting in a “true sale” of loans. Future interest spread receivables in case of a par structure deals are recognised over the tenure of agreements as per applicable guidelines/directions. Expenditure in respect of direct assignment is recognised upfront. Credit enhancement in the form of cash collateral provided by the Company is included under cash and cash equivalents / other assets, as applicable.

2.8 Revenue recognition:

Interest income
Interest income is recognised on accrual basis in the Statement of Profit and Loss, except in the case of non-performing assets (NPAs), where it is recognised in accordance with the NHB guidelines upon realisation. Interest income on investments is accounted on accrual basis. Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

Fees and charges
Fees and charges are recognised as and when they become due and revenue can be reliably measured and reasonable right of recovery is established.

Profit and loss on sale of investments
Profit / loss on sale of investment are recognised on trade date basis. Profit / loss on sale of investments are determined after consideration of cost on weighted average basis.

Securitisation transactions
In accordance with the regulatory guidelines, gain arising on securitisation is amortised over the life of the securities issued by the Special Purpose Vehicle (“SPV”). Loss, if any, is recognised upfront in the Statement of Profit and Loss.

Assignment transactions
In accordance with the regulatory guidelines, gain arising on assignment is amortised over the residual life of the loan. Loss, if any, is recognised upfront in the Statement of Profit and Loss.

2.9 Employee benefits:

Defined contribution plans
The Company’s contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Statement of Profit & Loss.

Defined benefit plans
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The company has provided for compensated absences on the basis of actuarial valuation.

Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.10 Provisions and write-offs on Loans and other credit facilities:

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per the NHB Directions. Contingent provisions against standard assets is made as per NHB Directions, as amended from time to time.

2.11 Provisions, Contingent liabilities and Contingent assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes forming part of Reformatted financial statements. Contingent assets are neither recognised nor disclosed in the Reformatted Financial Statements.

2.12 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised 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 laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised 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 is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence 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 the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly utilised from the reserves, is recognised in reserves and not in the Statement of Profit and Loss.

As per NHB circular dated August 22, 2014 “NHB(ND)/DRS/Policy Circular 65/2014-15” Deferred tax liability is recognised on the Special Reserves created & maintained under Section 36(1)(viii) of Income Tax Act, 1961. In case of other timing differences Deferred Tax Liability will be recognised as and when arises.

2.13 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and Loss in accordance with Accounting Standard 19 “Leases”.

2.14 Investments:

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at lower of cost and market/ fair value. Long-term investments are carried at cost. However, provision for diminution, other than temporary, is made to recognise a decline in the value of the investments. For investment in Mutual Funds the net assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

2.15 Foreign currency transactions and translations:

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

2.16 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity 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 operations. 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.

2.17 Borrowings:

Borrowings are bifurcated under Long term and Short term liabilities. Commercial papers are recognised at Face value at the time of its issue. Any difference between the proceeds and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings.

2.18 Derivative transactions:

The Company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing liabilities in foreign currency. Derivative contracts are marked-to-market and gains / losses are recognised in the Statement of Profit and Loss in accordance with Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India.

2.19 Impairment of assets:

The carrying amount of the assets at each Balance Sheet date is reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance Sheet date, there is an indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of the depreciable historical cost and reversal of such impairment loss is recognised in the Reformatted Statement of Profit and Loss, except in case of revalued assets.

2.20 Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Management in deciding how to allocate resources and in assessing performance. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses / assets / liabilities, if any." The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

2.21 Debenture Issue Expense:

Debenture issue expenses including ancillary and other acquisition costs incurred on Non Convertible Debentures are amortised over the tenure of the underlying debenture.

2.22 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

3. Share Capital (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Authorised Share Capital: Equity Shares of ₹10/- each with voting rights in March 31,2018 152,000,000 (March 31,2017: 152,000,000)	1,520.00	1,520. 00
Preference Shares of ₹10/- each in March 31,2018: 20,000,000 (March 31,2017: 20,000,000)	200.00	200.00
Total	**1,720.00**	**1,720.00**
Issued, Subscribed and Fully Paid-up Share Capital		
Equity Share Capital		
Equity Shares of ₹10/- each fully paid-up in March 31,2018: 19,968,181 (March 31,2017: 19,968,181)	199.68	199.68
Total	**199.68**	**199.68**

During the year Company has reclassified its authorised share capital from 172,000,000 share divided into 17,000,000 equity share of ₹10/- each and 155,000,000 preference share of ₹10/- each to 172,000,000 shares divided into 152,000,000 equity share of ₹10/- each and 20,000,000 preference share of ₹10/- each.

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	(₹ in Millions)	No of Shares	(₹ in Millions)
Equity Shares				
As at the beginning of the year	19,968,181	199.68	14,968,181	149.68
Issued during the year	-	-	5,000,000	50.00
Outstanding at end of the year	**19,968,181**	**199.68**	**19,968,181**	**199.68**
10% Redeemable Preference Shares				
At the beginning of the year	-	-	20,000,000	200.00
Add: Issued during the year	-	-	-	-
Less : Redeemed during the year	-	-	20,000,000	200.00
Outstanding at the end of the year	-	-	-	-

a) In Financial Year 16-17, the Company has issued 3,000,000 Equity shares of face value of ₹10/- each at a premium of ₹740/- per share on September 30, 2016 and 2,000,000 Equity shares of face value of ₹10/- each at a premium of ₹790/- per share on March 30, 2017.

b) In Financial Year 16-17,the Company has redeemed 20,000,000 10% Redeemable Preference shares of ₹10/- each at a premium of ₹5/- per share on November 15,2016.

3.2 Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

3.3 Shares held by the holding Company:

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	% holding	No of Shares	% holding
Equity Shares of ₹10/- each fully paid up				
IIFL Finance Limited and its nominees	19,968,181	100.00%	19,968,181	100.00%
Total	**19,968,181**		**19,968,181**	

3.4 Details of Shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	% holding	No of Shares	% holding
Equity Shares of ₹10/- each fully paid up				
IIFL Finance Limited and its nominees	19,968,181	100.00%	19,968,181	100.00%

4. Reserves and Surplus (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Securities Premium Account		
Opening Balance	7,002.57	3,302.57
Additions during the year	-	3,800.00
Utilised during the year	-	100.00
Closing Balance	**7,002.57**	**7,002.57**
Debenture Redemption Reserve (Refer Note 4.1)		
Opening Balance	886.30	613.00
Additions during the year	247.50	273.30
Closing Balance	**1,133.80**	**886.30**
Special Reserve (Refer Note 4.2)		
Opening Balance	567.70	373.70
Additions during the year	395.00	194.00
Closing Balance	**962.70**	**567.70**
Surplus in the Statement of Profit and Loss		
Opening Balance	878.75	540.39
Additions during the year	1,974.09	835.58
Appropriations during the year		
Transfer to Debenture Redemption Reserve	247.50	273.30
Transfer to Special Reserve	395.00	194.00
Preference Dividend (Refer Note 4.3)	-	12.55
Dividend Distribution Tax on Preference dividend	-	2.56
Deferred Tax Liability (Refer Note 4.4)	-	14.81
Closing Balance	**2,210.34**	**878.75**
Total	**11,309.41**	**9,335.32**

4.1 Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company being a Housing Finance Company is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures outstanding, which were offered through public issue. Accordingly, ₹247.50 Millions (March 31,2017: ₹273.30 Millions) has been transferred to Debenture Redemption Reserve Account for the year ended March 31, 2018.

4.2 Special Reserve

Disclosure as per NHB Guidelines (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	513.82	320.29
b) Statutory Reserve U/s 29C of the NHB Act, 1987	53.88	53.41
Total	**567.70**	**373.70**
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	382.41	193.53
b) Amount transferred U/s 29C of the NHB Act, 1987	12.59	0.47
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year	**962.70**	**567.70**
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	896.23	513.82
b) Statutory Reserve U/s 29C of the NHB Act, 1987	66.47	53.88
Total	**962.70**	**567.70**

Note: As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared. Amount of ₹382.41 Millions (March 31,2017: ₹193.53 Millions) has been transferred towards special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has also been considered for creating special reserve of ₹395.00 Millions (March 31,2017: ₹194.00 Millions) under section 29C(i) of the National Housing Bank Act, 1987.

4.3 Preference Dividend

Preference Dividend Proposed/paid are as follows: (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
On 10% Redeemable Preference Shares of ₹10/- each	-	₹0.63 Per share
No of Shares	-	20,000,000
Total Dividend Paid	**-**	**12.55**

The Compnay decleared and paid a dividend on 10% redeemable Preference Share of Rs. 10/- each upto the date of redemption of Preference Shares.

4.4 As per circular NHB(ND)/DRS/Policy Circular 65/2014-15 August 22, 2014 issued by NHB, the Company has adjusted ₹ Nil (March 31,2017: ₹14.81 Millions) pertaining to previous years towards Deferred Tax Liability on the Special Reserves created and maintained under Section 36(1)(viii) of Income Tax Act, 1961 from reserves.

5. Long -term borrowings (₹ in Millions)

Particulars	Non-current		Current Maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Debentures				
Non Convertible Debentures – Secured (Refer Note 5.1)	8,593.60	23,084.59	17,772.02	3,858.00
Non Convertible Subordinated Debentures – Unsecured	4,470.00	2,620.00	-	-

Particulars	Non-current		Current Maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Refer Note 5.2)				
Term Loans				
Term Loan from Banks – Secured (Refer Note 5.3)	35,348.41	21,029.13	7,154.51	3,617.22
Term Loan from NHB – Secured (Refer Note 5.4)	6,794.24	1,424.12	694.80	162.47
Subtotal	**55,206.25**	**48,157.84**	**25,621.33**	**7,637.69**
Amount disclosed under the head "Other current liabilities" (Refer Note 10)	-	-	(25,621.33)	(7,637.69)
Total	**55,206.25**	**48,157.84**	**-**	**-**

a. Bank borrowing also include Foreign Currency Term Loan aggregating to USD 13.35 Millions (March 31,2017: USD 13.35 Millions) wherein the principal amount is fully hedged, also refer Note 21.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture (Series A10) amounting to ₹1,600.00 Millions which carries call and put option effective from July 23, 2018. Also, Non Convertible Subordinated debt - Unsecured includes redeemable subordinated debt (Series U08) amounting to ₹100.00 Millions in respect of which the Company is having a call option at the end of 6th year from the date of allotment (February 28, 2018) and every year thereafter.

c. The term loan from banks and NHB are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

d. Out of the total loans from banks, loans amounting to ₹14,592.42 Millions (March 31,2017: ₹19,709.39 Millions) and Refinance Facility from NHB amounting to ₹7,489.04 Millions (March 31,2017: ₹1,586.59 Millions) are also guaranteed by IIFL Holdings Limited, being the Ultimate Holding Company.

e. The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

Note 5.1: Details of Non Convertible Debentures – Secured (₹ in Millions)

Residual Maturity	Amount Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)	Amount Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)
Fixed				
3-5 Years	50.00	8.90%-8.90%	50.00	8.90%-8.90%
1-3 Years	3,050.00	7.50%-9.50%	15,453.59	9.15%-11.52%
Zero Coupon Bonds				
3-5 Years	370.60	8.20%-8.70%	3,430.00	8.64%-9.40%
1-3 Years	5,123.00	8.10%-9.50%	4,151.00	8.85%-11.45%
Total	**8,593.60**		**23,084.59**	

Note 5.2: Details of Non Convertible Subordinated Debentures – Unsecured (₹ in Millions)

Residual Maturity	Amount Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)	Amount Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)
Fixed				
Above 5 Years	2,000.00	8.85%-9.30%	150.00	9.30%-9.30%
3-5 Years	470.00	9.30%-10.50%	2,268.58	9.30%-12.00%

1-3 Years	1,798.58	12.00%-12.00%	-	-
Zero Coupon Bonds				
Residual Maturity	**Amount Outstanding March 31, 2018**	**Interest Rate/Yield (Range lowest to highest in that Bucket)**	**Amount Outstanding March 31, 2017**	**Interest Rate/Yield (Range lowest to highest in that Bucket)**
3-5 Years	-	-	201.42	12.00%-12.00%
1-3 Years	201.42	12.00%-12.00%	-	-
Total	**4,470.00**		**2,620.00**	

Note 5.3: Details of Term loan from Banks (₹ in Millions)

Residual Maturity	Amount Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)*	Amount Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)*
Floating				
Above 5 Years	1,000.00	8.40%-8.40%	-	-
3-5 Years	12,408.17	8.05%-8.45%	8,059.93	8.35%-9.15%
1-3 Years	21,940.24	8.05%-8.60%	12,969.20	8.35%-10.15%
Total	**35,348.41**		**21,029.13**	

*Linked to MCLR / Base rate / LIBOR

Note 5.4: Details of Term loan from NHB (₹ in Millions)

Residual Maturity	Amount Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)	Amount Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)
Fixed				
Above 5 Years	3,122.24	4.61%-8.95%	553.88	7.95%-8.70%
3-5 Years	1,819.20	4.61%-8.95%	435.12	7.95%-8.70%
1-3 Years	1,852.80	4.61%-8.95%	435.12	7.95%-8.70%
Total	**6,794.24**		**1,424.12**	

6. Other long-term liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Interest accrued but not due on borrowings	698.75	946.56
Total	**698.75**	**946.56**

7. Long -term and Short-term provisions

(₹ in Millions)

Particulars	Long-Term		Short-Term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for Compensated Absences	12.40	8.76	4.91	3.67
Provision for Bonus	-	-	70.09	48.26
Contingent provisions against standard assets	506.10	377.50	-	-
Provision for Tax (Net of Advance Tax ₹905.45 Millions (March 31,2017: ₹534.70 Millions))	-	-	162.57	69.09
Total	**518.50**	**386.26**	**237.57**	**121.02**

8. Short- term borrowings (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Loans Repayable on demand		
Secured		
Cash Credit (Refer Note 8a) **(A)**	586.07	467.81
Other borrowings		
Unsecured		
Commercial Papers (Refer Note 8b)	18,020.00	8,500.00
Unexpired Discount on Commercial Papers	(161.63)	(50.57)
Subtotal (B)	**17,858.37**	**8,449.43**
Total (A+B)	**18,444.44**	**8,917.24**

a. The above borrowings are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. Out of the above secured borrowings, ₹453.98 Millions (March 31,2017: ₹467.81 Millions) are also guaranteed by IIFL Holdings Limited, being the Ultimate Holding Company.

b. Unexpired discount on commercial paper is net of ₹115.59 Millions (March 31,2017: ₹89.50 Millions) towards discount accrued but not due.

9. Trade payables (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Outstanding dues of creditors	1.93	1.81
Accrued Salaries and Benefits	2.70	8.95
Provision for expenses	360.78	226.25
Other Trade payables	0.58	-
Total	**365.99**	**237.01**

* Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006: (₹ in Millions)

Particulars	2017-18	2016-17
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors

10. Other current liabilities (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Current maturities of long term borrowings (Refer Note - 5)	25,621.33	7,637.69
Subtotal (A)	**25,621.33**	**7,637.69**
Others		
Payable to Group/Holding Company	-	0.19
Interest accrued but not due on borrowings	2,089.51	1,700.99
Payables on account of assignment	818.77	726.86
Temporary overdrawn bank balance as per books	6,838.18	5,357.08
Advance from customers	404.47	526.58
Income received In advance	109.80	144.03
Statutory remittances	58.55	23.21
Provision for Gratuity (Refer Note 20.2)	-	1.24
Other payables (Refer Note 10a)	1,304.13	194.81
Subtotal (B)	**11,623.41**	**8,674.99**
Total (A+B)	**37,244.74**	**16,312.68**

a. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹1,091.87 Millions (March 31,2017: ₹0.22 Millions) and Mark to market payable (Net) ₹3.00 Millions (March 31,2017: ₹ Nil)

Note: No amount was due to transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013

11. Fixed Assets – Tangible and Intangible (₹ in Millions)

Particulars	Freehold Land	Computer	Electrical Equipment	Furniture and Fixture	Office Equipment	Building for own use	Tangible Total (A)	Computer Software*	Intangible Total (B)	Total (A+B)
Gross Block as at April 01, 2016	**-**	**5.95**	**1.08**	**3.52**	**2.07**	**2.34**	**14.97**	**2.41**	**2.41**	**17.38**
Additions during the year	**0.86**	1.01	1.70	2.46	0.61	-	6.63	2.92	2.92	9.55
Deductions/Adjust ments during the year	-	0.02	0.05	0.04	-	-	0.11	-	-	0.11
Gross Block as at March 31,2017	**0.86**	**6.94**	**2.73**	**5.94**	**2.68**	**2.34**	**21.49**	**5.33**	**5.33**	**26.82**
Additions during the year	-	13.01	2.74	5.64	2.53	-	23.92	1.57	1.57	25.49
Deductions/Adjust ments during the year	-	0.13	0.20	0.11	0.11	2.34	2.89	-	-	2.89
Gross Block as at March 31,2018	**0.86**	**19.82**	**5.27**	**11.47**	**5.10**	**-**	**42.52**	**6.90**	**6.90**	**49.42**

Accumulated Depreciation and Amortisation as at April 01,2016	**-**	**1.21**	**0.19**	**0.82**	**0.32**	**0.19**	**2.73**	**0.20**	**0.20**	**2.93**
Depreciation and Amortisation expense for the year	-	2.30	0.81	0.94	0.51	0.11	4.67	1.97	1.97	6.64
Deductions/Adjust ments during the year	-	0.02	0.03	0.02	-	-	0.07	-	-	0.06
Accumulated Depreciataion and Amortisation as at March 31,2017	**-**	**3.49**	**0.97**	**1.74**	**0.83**	**0.30**	**7.33**	**2.17**	**2.17**	**9.51**
Depreciation and Amortisation	-	3.70	1.51	2.91	1.26	0.09	9.47	2.06	2.06	11.51

Particulars	Freehold Land	Computer	Electrical Equipment	Furniture and Fixture	Office Equipment	Building for own use	Tangible Total (A)	Computer Software*	Intangible Total (B)	Total (A+B)
expense for the year										
Deductions/Adjustments during the year	-	0.09	0.08	0.09	0.08	0.39	0.73	-	-	0.72
Accumulated Depreciataion and Amortisation as at March 31,2018	**-**	**7.10**	**2.40**	**4.56**	**2.01**	**-**	**16.07**	**4.23**	**4.23**	**20.30**

Net Block as at March 31,2017	**0.86**	**3.45**	**1.76**	**4.20**	**1.85**	**2.04**	**14.16**	**3.15**	**3.15**	**17.31**
Net Block as at March 31,2018	**0.86**	**12.72**	**2.87**	**6.91**	**3.09**	**-**	**26.45**	**2.67**	**2.67**	**29.12**

12. Deferred Tax Assets (Net)

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken debit / (credit) of ₹37.74 Millions (March 31,2017: ₹(13.73) Millions) in the Statement of Profit and Loss towards deferred tax (net) asset during the year on account of timing differences.

The major components of deferred tax assets and liabilities are as under: (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Deferred Tax Asset		
Provision for Employee benefits	9.23	2.78
Provision for substandard and doubtful assets	199.79	115.35
Contigent provisions against standard assets	176.85	130.65
Difference between book balance and tax balance of fixed assets	1.22	(0.46)
Gross Deferred Tax Asset (A)	**387.09**	**248.32**
Deferred Tax Liability		
Special Reserve u/s 36 (1) (viii)	313.07	185.95
Deduction for Provision for Doubtful debts	73.56	24.16
Gross Deferred Tax Liability (B)	**386.63**	**210.11**
Net Deferred Tax Asset (A-B)	**0.46**	**38.21**

13. Loans and Advances

(₹ in Millions)

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans and Advances (Refer Note 13a)				
- Secured considered good	112,930.34	77,138.25	5,326.23	4,236.00
- Secured considered doubtful	787.65	484.50	44.06	20.54
	113,717.99	**77,622.75**	**5,370.29**	**4,256.54**
Provision for Substandard and doubtful assets	(541.47)	(281.85)	(30.29)	(11.95)
Subtotal (A)	**113,176.52**	**77,340.90**	**5,340.00**	**4,244.59**
Other Loans and Advances				
Dues from customers (Refer Note 13a)				
- Secured considered good	-	-	202.36	57.44
- Secured considered doubtful	-	-	37.22	14.16
Deposits with Exchange - Unsecured considered good	-	-	10.00	10.00
Security Deposit - Unsecured considered good	13.81	6.02	8.49	9.86
Advance Income Tax and TDS (Net of provision for Tax ₹1,306.95 Millions (March 31,2017: ₹756.69 Millions) - Unsecured considered good	155.05	79.00	-	-
Prepaid Expenses - Unsecured considered good (Refer Note 13b)	0.00	0.34	11.13	8.05
Others - Unsecured considered good	-	-	4.99	4.54
Subtotal (B)	**168.86**	**85.36**	**274.19**	**104.05**
Total (A+B)	**113,345.38**	**77,426.26**	**5,614.19**	**4,348.64**

a. Secured loans and other credit facilities given to customers are secured by equitable mortgage of property.

b. Prepaid expenses includes funded gratuity amounting to ₹1.00 Millions (March 31,2017: ₹ Nil). Also refer note 20.2

14. Other Assets (₹ in Millions)

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Fixed Deposits (Refer Note 17)	84.67	-	-	-
Unamortised Debenture Issue Expenses	54.91	52.50	42.27	44.69
Accrued income on loans	-	-	1,057.47	795.20
Accrued interest on fixed deposits	-	-	5.81	0.31
Others	-	-	38.54	0.08
Total	**139.58**	**52.50**	**1,144.09**	**840.28**

15. Current Investments (Valued at lower of Cost and Market Value) (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Other Investments		
Investment in Quoted Non Convertible Debentures		
IIHFL Secured NCD – Series N1	-	0.19
Total	**-**	**0.19**
(a) Aggregate amount of quoted investments		
- Cost	-	0.19
- Market Value	-	0.19
(b) Aggregate amount of unquoted investments – cost	-	-

16. Trade receivables (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Outstanding for a period less than six months from its due date		
- Unsecured considered good	96.07	25.16
Total	**96.07**	**25.16**

17. Cash and cash equivalents (₹ in Millions)

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash and cash equivalents as per AS 3 Cash flow statement				
Cash on hand	-	-	5.44	-
Cheques and drafts on hand	-	-	75.11	-
Balance with banks:				
In Current Accounts	-	-	2,494.59	904.27
Total Cash and cash equivalents as per AS 3 Cash flow statement (A)	**-**	**-**	**2,575.14**	**904.27**
Other bank balances:				
In earmarked balances with bank	**-**	**-**	24.49	24.08
Fixed deposits pledged with bank as margin for credit enhancement/lien/ guarantees *	-	-	1,253.48	934.04
Total Other bank balances (B)	**-**	**-**	**1,277.97**	**958.12**
Total (A + B)	**-**	**-**	**3,853.11**	**1,862.39**

*Note: Out of the total fixed deposits of ₹1,338.15 Millions (including those disclosed under Note 14 Other Assets) fixed deposits amounting to ₹1,328.15 Millions (March 31,2017: ₹924.04 Millions) is for credit enhancement with respect to assignment and securitisation transaction and ₹10.00 Millions (March 31,2017: ₹10.00 Millions) for bank guarantee with National Stock exchange for public issue of Non Convertible Debentures.

18. Revenue from Operations (₹ in Millions)

Particulars	2017-18	2016-17
Interest Income		
Interest from financing activities	11,202.94	8,184.26
Interest on fixed deposits	76.04	27.89
Income from Other Financial Services		
Profit from Sale of Current Investments	67.02	117.76
Processing fees (Net) (Refer Note 18a)	332.53	250.16
Administration fee and other charges from customer	505.97	229.49
Insurance commission	149.28	-
Total	**12,333.78**	**8,809.56**

18a. Processing Fees includes (₹ in Millions)

Particulars	2017-18	2016-17
Processing Fee	600.34	514.55
Direct selling agents commission	(267.81)	(264.39)
Total	**332.53**	**250.16**

19. Other Income (₹ in Millions)

Particulars	2017-18	2016-17
Advisory and fee based income	352.88	253.57
Total	**352.88**	**253.57**

20. Employee Benefit Expenses (₹ in Millions)

Particulars	2017-18	2016-17
Salaries and Bonus	1,385.68	1,062.60
Contribution to Provident and other funds (Refer Note 20.1)	37.51	26.39
Gratuity Expenses (Refer Note 20.2)	9.89	7.25
Staff Welfare Expenses	17.03	9.69
Total	**1,450.11**	**1,105.93**

20.1 Defined contribution Plans:
The Company has also recognised the following amount as an expense (₹ in Millions)

Particulars	2017-18	2016-17
Contribution to Provident Fund	31.88	24.28
Contribution to Labour Welfare Fund	0.05	0.04
Contribution to E.S.I.C.	5.58	2.07
Total	**37.51**	**26.39**

20.2 The Company is recognizing and accruing the employee benefit as per Accounting Standard 15 on "Employee Benefits". The details of the Company's post-retirement benefit plans for its employees are given below which is as certified by the actuary and relied upon by the auditors: (₹ in Millions)

Particulars	2017-18	2016-17
Assumptions:		
Expected Return on Plan Assets	7.71%	6.77%
Rate of Discounting	7.71%	6.77%
Rate of Salary Increase	8.00%	5.00%
Rate of Employee Turnover	For service 4 years and below 28% p.a. and thereafter 1% p.a.	For service 4 years and below 25% p.a. and thereafter 10% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for the year ended March 31, 2018 and March 31, 2017

Particulars	2017-18	2016-17
Mortality Rate After Employment	N.A.	N.A.
Statement Showing Change in the Present Value of Projected Benefit Obligation		
Liability at the Beginning of the Year	17.30	10.62
Interest Cost	1.17	0.82
Current Service Cost	5.35	3.63
Past Service Cost - Vested Benefit Incurred During the Year	(1.83)	-
Liability Transferred In/ Acquisitions	0.70	0.71
(Liability Transferred Out/ Divestments)	(0.69)	(0.23)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(0.01)	-
(Benefit Paid From the Fund)	(1.43)	(1.24)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(5.16)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	7.30	1.25
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.74	1.74
Present Value of Benefit Obligation at the End of the Year	26.44	17.30
Statement Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	16.05	9.49
Expected Return on Plan Assets	1.09	0.73
Contributions by the Employer	12.14	7.61
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(1.43)	(1.24)
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.41)	(0.54)
Fair Value of Plan Assets at the End of the Year	27.44	16.05
Actual Return on Plan Assets		
Expected Return on Plan Assets	1.09	0.73
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.41)	(0.54)
Actual Return on Plan Assets	0.68	0.19
Amount Recognised in Balance Sheet		
(Present Value of Benefit Obligation at the end of the Year)	(26.44)	(17.29)
Fair Value of Plan Assets at the end of the Year	27.44	16.05
Funded Status (Surplus/ (Deficit))	1.00	(1.24)

Particulars	2017-18	2016-17
Unrecognized Past Service Cost at the end of the Year	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	**1.00**	**(1.24)**
Expenses Recognized in the Statement of Profit or Loss		
Current Service Cost	5.35	3.63
Net Interest Cost	0.08	0.09
Actuarial (Gains)/Losses	6.29	3.53
Past Service Cost - Non-Vested Benefit Recognized During the Year	-	-
Past Service Cost - Vested Benefit Recognized During the Year	(1.83)	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Change in Asset Ceiling	-	-
Expenses Recognized in the Statement of Profit or Loss	**9.89**	**7.25**
Balance Sheet Reconciliation		
Opening Net Liability	1.24	1.13
Expense Recognized in Statement of Profit or Loss	9.89	7.25
Net Liability/(Asset) Transfer In	0.70	0.70
Net (Liability)/Asset Transfer Out	(0.69)	(0.23)
(Benefit Paid Directly by the Employer)	(0.01)	-
(Employer's Contribution)	(12.13)	(7.61)
Net Liability/(Asset) Recognized in the Balance Sheet	(1.00)	1.24

(₹ in Millions)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Experience Adjustments:					
Liability at the end of the year	(26.44)	(17.29)	(10.62)	(2.99)	(2.45)
Fair value of plan assets at the end of the year	27.44	16.05	9.49	2.70	1.22
Funded Status (Surplus/(Deficit))	1.00	(1.24)	(1.13)	(0.29)	(1.23)
Experience adjustment on plan liabilities	3.74	1.74	2.32	0.29	0.82
Experience adjustment on plan assets	(0.41)	(0.54)	(0.12)	(0.02)	0.01

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors. Estimated amount of payment in respect of gratuity to the fund will be ₹7.27 Millions in F.Y 2018-19 (March,31-2018: ₹6.60 Millions).

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Accounting Standard 15 “Employee Benefits”.

21. Finance Cost

(₹ in Millions)

Particulars	2017-18	2016-17
Interest Expense		
- Loan from banks and others	2,797.87	2,309.48
- Bonds and Debentures	3,006.94	2,519.41
- Commercial Papers	1,359.82	949.75
Other borrowing cost (Refer Note 21 a)	86.66	75.93
Total	**7,251.29**	**5,854.57**

a. Other borrowing cost include Mark to Market loss on Cross Currency Interest Rate Swaps of ₹3.00 Millions net of gain on revaluation of foreign currency term loan of ₹31.76 Millions

b. Two Cross Currency Interest Rate Swaps entered for hedging purposes outstanding as at March 31, 2018 of USD 13.35 Millions (March 31,2017: USD 13.35 Millions) against foreign currency term loan of USD 13.35 Millions (March 31,2017: USD 13.35 Millions) equivalent to ₹900.00 Millions (March 31,2017: ₹900.00 Millions) .

c. In the Financial Year 2017, the Company has changed its accounting policy with respect to amortisation of non convertible debenture issues expenses including ancillary and other acquititsation cost. If the same was not changed the company's profit before tax would have been lower by ₹10.11 Millions.

22. Other expenses (₹ in Millions)

Particulars	2017-18	2016-17
Advertisement*	7.70	4.54
Books and Periodicals	0.04	0.02
Direct operating expenses:		
- Verification expenses	81.50	50.86
- Other direct operating expenses	51.71	37.59
Marketing Expenses	25.76	18.05
Bank Charges	2.53	1.76
Communication	11.69	8.67
Electricity Charges	21.26	14.94
Exchange and Statutory charges	7.43	5.44
Legal and Professional Fees	105.85	116.11
Miscellaneous Expenses	6.67	10.76
Office expenses	37.23	19.73
Postage and Courier charges	7.53	3.59
Printing and Stationary	10.00	7.90
Rates and Taxes	0.15	0.05
Rent expense (Refer Note 27)	73.61	57.00
Repairs and Maintenance:		
- Computer	0.77	1.05
- Others	4.46	2.17
Remuneration to Auditors (Net of Service tax/GST):		
- Audit Fees	0.41	0.24
- Other Services	0.66	0.16
- Out of Pocket Expenses	0.29	0.02
Software Charges	22.93	11.67
Subscription	0.25	0.13
Travelling and Conveyance	64.65	92.10
Corporate Social Responsibility (CSR) Expenses (Refer Note 31)	21.21	15.66
(Profit) / loss on sale of fixed assets	0.99	0.02
Total	**567.28**	**480.23**

***Payments made in foreign currency on accrual basis** (₹ in Millions)

Particulars	2017-18	2016-17
For Advertisement	0.81	0.22

23. Provisions & Write offs (₹ in Millions)

Particulars	2017-18	2016-17
Bad Debts Written off	12.82	45.45
Provision for Substandard and Doubtful Loans	238.46	158.60
Contingent provisions against Standard assets	128.60	140.50
Total	**379.88**	**344.55**

24. Basic and Diluted Earning Per Share (₹ in Millions)

Particulars		2017-18	2016-17
Basic & Diluted Earning Per Share (EPS)			
Profit after tax as per Statement of Profit and Loss		1,974.09	835.58
Less: Preference Dividend		-	12.55
Less: Dividend Distribution Tax		-	2.55
Net Profit after Tax After Preference Dividend	**A**	**1,974.09**	**820.48**
Weighted average number of Equity Shares	B	19,968,181	16,483,249
Basic EPS (in ₹)	**A/B**	**98.86**	**49.78**
Potential Dilutive Preference Shares	C	-	-
Average number of Potential Dilutive preference shares considered for EPS	D	-	-
Total number of shares for Dilutive EPS	E=B+D	19,968,181	16,483,249
Profit after tax after adjustment of diluted Earnings	F	1,974.09	820.48
Diluted EPS (in ₹)	**F/E**	**98.86**	**49.78**

25. Contingent Liability and Commitments:

- Contingent Liabilities: ₹0.01 Millions towards Legal Commitments (March 31,2017: ₹0.58 Millions)
- Commitments: As on the balance sheet date there were undrawn credit commitments of ₹14,120.79 Millions (March 31,2017: ₹10,280.56 Millions) representing the amount sanctioned but not disbursed.

26. The Company is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

27. The Company has taken office premises on operating lease at various locations. Lease rents amounting to ₹73.61 Millions (March 31,2017: ₹57.00 Millions) in respect of the same have been charged to Statement of Profit and Loss. The minimum lease rentals outstanding as at March 31, 2018 are as under:

(₹ in Millions)

Minimum Lease Payments	March 31, 2018	March 31, 2017
Up to One year	10.03	4.96
One to Five years	3.38	-
Total	**13.41**	**4.96**

28. The Company operates from and uses the premises infrastructure and other facilities and services as provided by its holding company/group companies which are termed as ‘Shared Services’. Hitherto such shared services consisting of administrative and other revenue expenses incurred for the Company were identified and paid based on reasonable management estimates which are constantly refined in the light of additional knowledge gained relevant to such estimation.

29. Segment Reporting:

Segment information for the year ended March 31, 2018 as per Accounting Standard 17 – 'Segment Reporting' .

(₹ in Millions)

Particulars	2017-18			2016-17		
	Investing and financing related activities	Others*	Total	Investing and financing related activities	Others*	Total
1. Segment Revenue	12,333.78	352.88	12,686.66	8,809.56	253.57	9,063.13
2. Segment Result	2,673.71	352.88	3,026.59	1,017.64	253.57	1,271.21
Add: Unallocated income net of other unallocated expenditure	-	-	-	-	-	-
Less: Unallocated expenditure net of other unallocated income	-	-	-	-	-	-
Less: Current taxes (Net of Mat Credit entitlement) and Deferred tax (charge)	-	-	1,052.50	-	-	435.63
Profit after tax	**-**	**-**	**1,974.09**	-	-	**835.58**
3. Segment Assets	124,003.47	66.35	124,069.82	84,471.10	25.30	84,496.40
Unallocated Corporate Assets	-	-	155.51	-	-	117.21
Total Assets	**124,003.47**	**66.35**	**124,225.33**	**84,471.10**	**25.30**	**84,613.61**
4. Segment Liabilities	112,553.67	-	112,553.67	75,009.52	-	75,009.52
Unallocated Corporate Liabilities	-	-	162.57	-	-	69.09
Total Liabilities	**112,553.67**	**-**	**112,716.24**	**75,009.52**	-	**75,078.61**
5. Capital Expenditure	26.15	-	26.15	8.09	-	8.09
Unallocated Capital Expenditure	-	-	-	-	-	-
Total Capital Expenditure	**26.15**	**-**	**26.15**	**8.09**	-	**8.09**
6. Depreciation / Amortisation	11.51	-	11.51	6.64	-	6.64
Unallocated Depreciation	-	-	-	-	-	-
Total Depreciation / Amortisation	**11.51**	**-**	**11.51**	**6.64**	**-**	**6.64**
7. Non-Cash expenditure other than depreciation	373.69	-	373.69	303.25	-	303.25
Unallocated Non-Cash expenditure other than depreciation	-	-	-	-	-	-
Total Non-Cash Expenditure other than depreciation	**373.69**	**-**	**373.69**	**303.25**	-	**303.25**

*Others include Advisory and fee based income

30. Disclosures in respect of Accounting Standard 18 "Related Party Disclosures"

A) Related parties where control exists:

Nature of relationship	Name of party
Holding company	IIFL Finance Limited
Ultimate Holding Company	IIFL Holdings Limited
Group Company	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	India Infoline Media & Research Services Limited
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)
	IIFL Wealth Management Limited
	IIFL Alternate Asset Advisors Limited
	IIFL (Asia) Pte. Limited
	IIFL Inc.
	IIFL Capital Pte. Limited
	IIFL Wealth (UK) Limited
	IIFL Asset Management Limited (Formerly known as India Infoline Asset Management Company Limited)
	IIFL Trustee Limited (Formerly Known as India Infoline Trustee Company Limited)
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)
	IIFL Distribution Services Limited
	IIFL Investment Advisor and Trustee Services Limited
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth (Suisse) SA.
	IIFL Capital Inc.
	IIFL Capital (Canada) Limited
	IIFL Securities Pte. Limited
	IIFL Asset Reconstruction Limited
	India Infoline Foundation
	IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)
	Meenakshi Tower LLP (Joint venture of IIFL Management Services Limited.)
	Ayusha Dairy Private Limited (w.e.f. March 01, 2017)
	Samasta Microfinance Limited (w.e.f. March 01, 2017)
	Clara Developers Private Limited (w.e.f December 27, 2017)
Key Management Personnel	Mr. Monu Ratra - Executive Director & CEO
Other Related Parties	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkatarman - Non-Executive Director
	Orpheus Trading Private Limited
	Ardent Impex Private Limited
	5Paisa P2P Limited
	5Paisa Capital Limited

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for the year ended March 31, 2018 and March 31, 2017

(B) Significant Transaction with Related Parties:

March 31,2018: (₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/ Other Related Parties	Key Management Personnel	Total
Interest Income					
IIFL Finance Limited	-	36.52	-	-	**36.52**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.39	-	**0.39**
Service Fee Income on Mortgage Portfolio					
IIFL Finance Limited	-	18.49	-	-	**18.49**
Interest Expenses					
IIFL Finance Limited	-	24.63	-	-	**24.63**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.28	-	**0.28**
Advisory Fees/Arranger Fees					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	11.27	-	**11.27**
Samasta Microfinance Limited	-	-	1.20	-	**1.20**
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)		-	8.73	-	**8.73**
Brokerage/Delayed Paying Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.03	-	**0.03**
Rent Expenses					
IIFL Facilities Services Limited (Formerly known as IIFL Realty \Limited)	-	-	19.29	-	**19.29**
IIIFL Management Services Limited(Formerly known as India Infoline Insurance Services Limited)	-	-	0.71	-	**0.71**
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	21.21	-	**21.21**
Service Fees On Assignment Transaction					
IIFL Finance Limited	-	7.08	-	-	**7.08**
Receipt towards Assignment Transaction					
IIFL Finance Limited	-	113.9	-	-	**113.9**
Payment towards Assignment Transaction					
IIFL Finance Limited	-	187.55	-	-	**187.55**
ICD taken					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,080.00	-	**1,080.0**
IIFL Finance Limited	-	100	-	**-**	**100**
ICD returned back					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,080.	-	**1,080**
IIFL Finance Limited	-	100	-	-	**100**
ICD Given					

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for the year ended March 31, 2018 and March 31, 2017

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/	Key Management Personnel	Total
IIFL Finance Limited	-	960	-	-	**960**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	500	-	**500**
ICD Received Back					
IIFL Finance Limited	-	960	-	-	**960**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	500	-	**500**
Remuneration to KMP					
Remuneration to KMP	-	-	-	28.83	**28.83**
Allocation / Reimbursement of expenses Paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	25.48	-	**25.48**
IIFL Holdings Limited	25.86	-	-	-	**25.86**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	9.44	-	**9.44**
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)		-	0.05	-	**0.05**
Allocation / Reimbursement of expenses Paid Others					
IIFL Finance Limited	-	0.72	-	-	**0.72**
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.99	-	**0.99**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.04	-	**0.04**
India Infoline Media & Research Services Limited	-	-	0.01	-	**0.01**
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)		-	1.5	-	**1.5**
IIIFL Management Services Limited(Formerly known as India Infoline Insurance Services Limited)		-	0.03	-	**0.03**
IIFL Distribution Services Limited	-	-	0.11	-	**0.11**
Allocation / Reimbursement of expenses Received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	9.49	-	**9.49**
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.45	-	**0.45**
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)		-	0.02	-	**0.02**
5Paisa Capital Limited	-	-	0.02	-	**0.02**
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.54	-	**0.54**
Allocation / Reimbursement of expenses Received Others					
IIFL Securities Limited (Formerly known as India Infoline Limited)		-	0.39	-	**0.39**
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)		-	0	-	**0**
IIFL Finance Limited	-	0.75	-	-	**0.75**

REFORMATTED FINANCIAL STATEMENTS UNDER IGAAP OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for the year ended March 31, 2018 and March 31, 2017

March 31,2017: (₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/ Other Related Parties	Key Management Personnel	Total
Interest Income					
IIFL Finance Limited	-	58.50	-	-	**58.50**
India Infoline Media & Research Services Limited	-	-	0.01	-	**0.01**
Service Fee Income on Mortgage Portfolio					
IIFL Finance Limited	-	28.05	-	-	**28.05**
Consultancy Fees Income					
IIFL Realty Limited	-	-	0.07	-	**0.07**
Interest Expenses					
IIFL Finance Limited	-	51.93	-	-	**51.93**
IIFL Realty Limited	-	-	0.21	-	**0.21**
IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)	-	-	0.20	-	**0.20**
Brokerage/Delayed Paying Expense					
India Infoline Limited	-	-	0.01	-	**0.01**
Rent Expenses					
IIFL Realty Limited	-	-	12.38	-	**12.38**
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	15.66	-	**15.66**
Service Fees On Assignment Transaction					
IIFL Finance Limited	-	12.42	-	-	**12.42**
Preference Dividend (Proposed/Paid)					
IIFL Finance Limited	-	32.55	-	-	**32.55**
Receipt towards Assignment Transaction					
IIFL Finance Limited	-	138.32	-	-	**138.32**
Payment towards Assignment Transaction					
IIFL Finance Limited	-	139.58	-	-	**139.58**
ICD taken					
IIFL Realty Limited	-	-	260.00	-	**260.00**
IIFL Finance Limited	-	3,306.00	-	**-**	**3,306.00**
ICD returned back					
IIFL Realty Limited	-	-	260.00	-	**260.00**
IIFL Finance Limited	-	3,306.00	-	-	**3,306.00**
ICD Given					
IIFL Finance Limited	-	1,480.00	-	-	**1,480.00**
India Infoline Media & Research Services Limited	-	-	40.00	-	**40.00**
ICD Received Back					
IIFL Finance Limited	-	1,480.00	-	-	**1,480.00**
India Infoline Media & Research Services Limited	-	-	40.00	-	**40.00**
Remuneration to KMP					

Remuneration to KMP	-	-	-	23.61	**23.61**
Allotment of Equity Share					
IIFL Finance Limited	-	3,850.00	-	-	**3,850.00**
Redemption & Conversion of Preference shares					
IIFL Finance Limited	-	300.00	-	-	**300.00**
Allocation / Reimbursement of expenses Paid					
India Infoline Limited	-	-	23.82	-	**23.82**
IIFL Holdings Limited	16.85	-	-	-	**16.85**
IIFL Realty Limited	-	-	8.77	-	**8.77**
Allocation / Reimbursement of expenses Paid Others					
IIFL Finance Limited	-	1.34	-	-	**1.34**
India Infoline Limited	-	-	6.36	-	**6.36**
India Infoline Media & Research Services Limited	-	-	0.11	-	**0.11**
India Infoline Commodities Limited	-	-	0.02	-	**0.02**
Allocation / Reimbursement of expenses Received					
India Infoline Limited	-	-	10.92	-	**10.92**
IIFL Realty Limited	-	-	1.63	-	**1.63**
India Infoline Commodities Limited	-	-	0.01	-	**0.01**
Allocation / Reimbursement of expenses Received Others					
India Infoline Limited	-	-	0.13	-	**0.13**
IIFL Realty Limited	-	-	0.14	-	**0.14**
IIFL Finance Limited	-	0.95	-	-	**0.95**

Intraday Inter corporate deposit transactions are not considered in above disclosure.

C) Closing Balance

March 31,2018: (₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/Other Related Parties	Total
Receivable towards assignment				
IIFL Finance Limited	-	13.86	-	**13.86**
Payable towards assignment				
IIFL Finance Limited	-	17.55	-	**17.55**
Outstanding loan amount of securitised book purchased				
IIFL Finance Limited	-	194.03	-	**194.03**
Outstanding loan amount of securitised book sold				
IIFL Finance Limited	-	168.17	-	**168.17**

March 31,2017: (₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/Other Related Parties	Total
Receivable towards assignment				
IIFL Finance Limited	-	-	-	**-**
Payable towards assignment				
IIFL Finance Limited	-	60.15	-	**60.15**
Outstanding loan amount of securitised book purchased				
IIFL Finance Limited	-	307.93	-	**307.93**
Outstanding loan amount of securitised book sold				
IIFL Finance Limited	-	355.73	-	**355.73**

D) Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

March 31,2018: (₹ in Millions)

Name of Related Party	Balance as on March 31, 2018	Maximum outstanding during the year
IIFL Finance Limited	-	500.00
IIFL Facilities Services Limited(Formerly known as IIFL Realty Limited)	-	500.00

March 31,2017: (₹ in Millions)

Name of Related Party	Balance as on March 31, 2017	Maximum outstanding during the year
IIFL Finance Limited	-	530.00
India Infoline Media & Research Services Limited	-	40.00

31. Corporate Social Responsibility:

During the financial year 2017-18, the Company has spent ₹21.21 Millions (March 31,2017: ₹15.66 Millions) out of the total amount of ₹21.21 Millions (March 31,2017: ₹15.66 Millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility. The aforementioned amount has been contributed to India Infoline Foundation.

32. Percentage of outstanding loans granted against the collareral gold jewellery to the outstanding total assets is ₹ Nil (March 31,2017: ₹ Nil)

33. Disclosures as per "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016": The following additional disclosures have been given in terms of the Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank:

I) Capital

Particulars	March 31, 2018	March 31, 2017
CRAR (%)	**17.17**	**17.58**
CRAR - Tier I Capital (%)	13.06	14.36
CRAR - Tier II Capital (%)	4.11	3.22
Amount of subordinated debt raised as Tier- II Capital (₹ in Millions)	4,470.00	2,620.00
Amount raised by issue of Perpetual Debt Instruments (₹ in Millions)	-	-

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

The disclosure pertaining to Reserve Fund has been shown under Note 4.2

III) Investments (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
A) Value of Investments		
(i) Gross Value of Investments		
(a) In India	-	0.19
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	-	0.19
(b) Outside India	-	-
B) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made During the Year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

IV) Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

b) Exchange Traded Interest Rate (IR) Derivative (₹ in Millions)

Particulars	March 31, 2018
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

Particulars	March 31, 2017
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2017 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

c) Disclosure on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities.

Quantitative Disclosure (₹ in Millions)

Particulars	Currency Derivatives March 31,2018	Interest Rate Derivatives March 31,2018
(i) Derivatives (Notional Principal Amount) For hedging	900.00	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	870.28	-
(b) Liability (-)	905.04	-
(iii) Credit Exposure [2]	4.50	-
(iv) Unhedged Exposures	-	-

Quantitative Disclosure (₹ in Millions)

Particulars	Currency Derivatives March 31,2017	Interest Rate Derivatives March 31,2017
(i) Derivatives (Notional Principal Amount) For hedging	900.00	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

V) Details on Securitisation

a) Securitisation transactions under SPV Structure sponsored by HFC (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
i) No of SPVs sponsored by the HFC for securitisation transactions	8	7
ii) Total amount of securitised assets as per books of the SPVs sponsored	5,840.12	6,783.44
Particulars	**March 31, 2018**	**March 31, 2017**
iii) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements	-	-
b) On-balance sheet exposures towards Credit Enhancements	920.08	797.73
iv) Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
(A) Exposure to own securitizations	-	-
(B) Exposure to third party securitizations	-	-
b) On-balance sheet exposures towards Credit Enhancements		
(A) Exposure to own securitizations	-	-
(B) Exposure to third party securitizations	-	-

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

(₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts	3	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	1.84	-
(iii) Aggregate consideration	3.60	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value	1.76	-

c) Details of Assignment transactions undertaken

(₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts	4,532	1,972
(ii) Aggregate value (net of provisions) of accounts assigned	14,552.96	8,171.16
(iii) Aggregate consideration	14,552.96	8,171.16
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

d) Details of non-performing financial assets purchased/sold

Details of non-performing financial assets purchased (₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(iii) Of these, number of accounts restructured during the year	-	-
(iv) Aggregate outstanding	-	-

Details of non-performing financial assets sold (₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts sold	3	-
(ii) Aggregate outstanding	6.28	-
(iii) Aggregate consideration received	3.60	-

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) (₹ in Millions)

As at March 31,2018:

Particulars	Upto 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 year	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	125	312.5	1,078.54	1,494.63	4,173.07	24,144.69	14,227.27	2,318.19	1,383.62	420.53	**49,678.04**
Market Borrowing	4,865.09	12,656.70	5,177.58	4,620.00	9,911.02	8,573.00	890.6	1,150.00	850	-	**48,693.99**
Foreign Currency Liabilities	-	-	-	-	900	-	-	-	-	-	**900**
Assets											
Advances	1768.35	1791.87	2511.28	4067.27	8793.73	13660.89	13452.54	10946.71	16975.54	45120.09	**119088.27**
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

As at March 31,2017: (₹ in Millions)

Particulars	Upto 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 year	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	124.93	-	312.50	1195.72	2333.66	12785.01	8495.05	431.02	50.86	72.00	**25,800.75**
Market Borrowing	5130.66	5318.76	500.00	2515.00	443.00	18004.59	5950.00	150.00	-	-	**38,012.01**
Foreign Currency Liabilities	-	-	-	-	-	900.00	-	-	-	-	**900.00**
Assets											
Advances	1,374.43	1,336.17	1,849.90	3,165.28	6,855.38	9,376.50	8,406.46	7,914.12	12,940.75	28,660.30	**81,879.29**
Investments	0.19	-	-	-	-	-	-	-	-	-	**0.19**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management and relied upon by the auditors.

VII) Exposure

a) Exposure to Real Estate Market (₹ in Millions)

Category	March 31, 2018	March 31, 2017
a) Direct exposure		
(i)Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
- Up to ₹15 Lacs	14,553.60	6,993.54
- More Than ₹15 Lacs	77,085.19	54,827.89
(ii)Commercial Real Estate-		
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose 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;	28,669.66	20,892.64
(iii)Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
a. Residential	-	-
b. Commercial Real Estate	-	-
b)Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-

Exposure includes amount outstanding including principal, interest overdue and interest accrued but not due. In computing the above information, certain estimates, assumptions and adjustments have been made by the Management and relied upon by the auditors.

b) Exposure to Capital Market (₹ in Millions)

Category	March 31, 2018	March 31, 2017
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;	-	-

Category	March 31, 2018	March 31, 2017
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-

c) **Details of financing of parent company products:** The Company does not have any exposure in financing of parent company products.

d) **Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC:** The Company has not exceeded the SGL and GBL Limits.

e) **Unsecured Advances:** The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing.

VIII) **Details of registration obtained from other financial regulators:** The Company is acting as corporate agent for general insurance business. It has obtained license from Insurance Regulatory and Development Authority of India (IRDA) (Registration Number CA0453).

IX) **Disclosure of Penalties imposed by NHB and other regulators:** During the year, there were no penalties imposed by NHB or any other regulators.

X) **Related Party Transactions:** Related party transaction details have been disclosed under Note 30.

XI) **Rating assigned by Credit Rating Agencies and migration of rating during the year**

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2018 (₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Short Term Debt Programme	ICRA Limited	[ICRA]A1+	30,000.00
Long term principal protected equity linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA(stable)	2,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA(stable)	50,000.00
Subordinate Debt Programme	ICRA Limited	[ICRA]AA(stable)	6,000.00
NCD Programme	ICRA Limited	[ICRA]AA(stable)	40,000.00
Non Convertible Debenture	CARE Ratings	CARE AA /Outlook positive	4,000.00
Non Convertible Debenture	CARE Ratings	CARE AA /Outlook positive	5,000.00
Short Term Debt	CRISIL Limited	CRISIL A1+ (Assigned)	30,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	2,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	500.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	5,000.00
Unsecured Subordinated NCD	Brickwork Rating	BWR AA+ Outlook Stable	2,000.00
Unsecured Subordinated NCD	Brickwork Rating	BWR AA+ Outlook Stable	350.00

b)Details of Migration of Ratings for the FY 2017-18 (₹ in Millions)

Credit Rating Agency	Instrument	Amount Rated	Rating in 2017-18	Rating in 2016-17
Nil	Nil	Nil	Nil	Nil

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2017 (₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Short Term Debt Programme	ICRA Limited	[ICRA]A1+	30,000.00
Long Term Principal Protected Equity Linked Debenture Programme	ICRA Limited	PP-MLD[ICRA]AA (stable)	2,000.00

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA (stable)	50,000.00
Unsecured Redeembale NCD Programme	ICRA Limited	[ICRA]AA (stable)	3,000.00
Subordinate Debt Programme	ICRA Limited	[ICRA]AA (stable)	1,000.00
NCD Programme	ICRA Limited	[ICRA]AA (stable)	40,000.00
Non Convertible Debenture	CARE Ratings	CARE AA/Outlook stable	4,000.00
Non Convertible Debenture	CARE Ratings	CARE AA /Outlook stable	5,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	2,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	500.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	5,000.00
Unsecured Subordinate NCD	Brickwork Rating	BWR AA+ Outlook Stable	1,000.00

b) Details of Migration of Ratings for the FY 2016-17 (₹ in Millions)

Credit Rating Agency	Instrument	Amount Rated	Rating in 2016-17	Rating in 2015-16
CRISIL Limited	Non Convertible Debenture	7,500.00	CRISIL AA/Stable	CRISIL AA-/Stable

XII) Remuneration of Non-Executive Directors (₹ in Millions)

Name of Directors	2017-18	2016-17
Mr. Kranti Sinha	0.36	0.45
Mr. S. Sridhar	1.36	1.48

XIII) Applicability of Consolidation of Reformatted financial statements: As the Company does not have any subsidiary applicability of Consolidation of Financial Statement does not arise.

XIV) Details on Provisions and Contingencies

a) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in Millions)

Particulars	2017-18	2016-17
Provisions for depreciation on Investment	-	-
Provision made towards Income tax	1,014.76	449.36
Provision towards Substandard and doubtful assets	238.46	158.60
Provision for Standard Assets:	**128.60**	**140.50**
CRE – Residential	38.48	27.59
CRE – Others	6.14	17.67
Others	83.98	95.24

b) Break up of Loans and Advances and Provisions thereon (₹ in Millions)

Particulars	Housing		Non-Housing	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Standard Assets				
a) Total Outstanding Amount	82,557.28	52,792.76	36,945.39	29,469.84
b) Provisions made	365.31	243.00	140.79	134.50
Sub Standard Assets				
a) Total Outstanding Amount	404.38	165.52	190.90	183.94
b) Provisions made	214.94	77.27	116.56	93.74
Doubtful Assets- Cat I				
a) Total Outstanding Amount	108.55	86.78	39.61	43.12

Particulars	Housing		Non-Housing	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
b) Provisions made	77.49	58.72	48.23	27.43
Doubtful Assets- Cat II				
a) Total Outstanding Amount	73.63	32.63	38.79	1.91
b) Provisions made	68.89	29.48	32.57	1.85
Doubtful Assets- Cat III				
a) Total Outstanding Amount	7.58	-	0.18	-
b) Provisions made	7.58	-	0.18	-
Loss Assets				
a) Total Outstanding Amount	5.11	5.11	0.21	0.21
b) Provisions made	5.11	5.11	0.21	0.21

XV) Draw Down From Reserves: The disclosure pertaining to drawn down from Reserves has been disclosed shown under Note 4.

XVI) Concentration of Public Deposits, Advances, Exposures and NPAs

a) Concentration of Public Deposits: The Company, being a non-deposit taking housing finance company, does not hold any deposits from public.

b) Concentration of Loans & Advances

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Total Loans & Advances to twenty largest borrowers	9,218.91	5,701.32
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	7.74%	6.96%

c) Concentration of all Exposure (including off-balance sheet exposure) (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Total Exposure to twenty largest borrowers / customers	10,904.89	6,987.53
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	8.10%	7.50%

Note: Exposure includes amount outstanding including principal, interest overdue, interest accrued but not due and sanctioned but undisbursed.

d) Concentration of NPAs (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Total Exposure (Gross NPA) to top ten NPA accounts	234.10	178.01

e) Sector wise NPAs (₹ in Millions)

Sector	March 31, 2018	March 31, 2017
A. Housing Loans		
1. Individuals	539.66	289.77
2. Builders/Project Loans	59.49	0.27
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans		
1. Individuals	167.19	146.79
2. Builders/Project Loans	4.58	31.52
3. Corporates	98.01	50.87
4. Others (specify)	-	-

XVII) Movement of NPAs (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(I) Net NPAs to Net Advances (%)	0.25%	0.28%
(II) Movement of NPAs (Gross)		
a. Opening balance	519.21	337.74
b. Additions during the year	580.94	350.97
c. Reductions during the year	(231.22)	(169.50)
d. Closing balance	**868.93**	**519.21**
(III) Movement of NPAs (Net)		
a. Opening balance	225.41	163.05
b. Additions during the year	287.33	188.03
c. Reductions during the year	(215.57)	(125.67)
d. Closing balance	**297.17**	**225.41**
(IV)Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	293.80	174.70
b. Provisions made during the year	390.64	214.20
c. Write-off/write-back of excess provisions	(112.68)	(95.10)
d. Closing balance	**571.76**	**293.80**

XVIII) Overseas Assets: The Company does not have any overseas assets.

XIX) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms): The Company does not have any off-balance sheet SPVs for which there is requirement of consolidation as per accounting norms.

XX) Disclosure of Customer Complaints

Particulars	2017-18	2016-17
a) No of Complaints pending at the beginning of the year	9	-
b) No of Complaints received during the year	572	233
c) No of Complaints redressed during the year	574	224
d) No of Complaints pending at the end of the year	7	9

Customer complaints details as given above are as identified by the Company and relied upon by the auditors.

34. Disclosure on Specified Bank Notes (SBNs)

In the Financial Year FY 16-17, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Millions)

Particulars	SBNs*	Other Denominated Notes	Total
Closing Cash in hand as on 08.11.2016 as per books	11.00	-	**11.00**
(+) Permitted Receipts	-	9.64	**9.64**
(-) Permitted Payment	-	-	**-**
(-) Amount deposited in banks	11.00	9.64	**20.64**
Closing cash in hand as on 30.12.2016 as per books	**-**	**-**	**-**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

35. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

36. These Reformatted Financial Statements were authorised for issue by the Company's Finance Committee of Board of Directors on Jun 15th, 2021.

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman	**Monu Ratra**
Director	Executive Director & CEO
(DIN: 00011919)	(DIN: 07406284)
Place : Mumbai	Place : Gurugram

Ajay Jaiswal	**Amit Gupta**
Company Secretary	Chief Financial Officer
Place : Gurugram	Place : Gurugram

Date: June 15,2021

IIFL Home Finance Limited
Statement of dividend as per IGAAP paid / proposed: **Annexure I**

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Equity Share Capital (₹ in millions)		199.68	199.68
Shares outstanding at the end of the year		19,968,181	19,968,181
Face Value Per Equity Share (₹)	(a)	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	-	-
Total dividend on Equity Shares (₹ in millions)		-	-
Dividend Declared Rate (In %)	(c=b/a)	0.00%	0.00%
Dividend tax (gross) on dividend (₹ in millions)		-	-

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: June 15, 2021

IIFL Home Finance Limited
STATEMENT OF ACCOUNTING RATIOS as per IGAAP (Standalone basis) **Annexure II**

1. Basic and Diluted Earnings per Share **(₹ in Millions)**

Particulars	As at March 31, 2018	As at March 31, 2017
Weighted average number of equity shares outstanding for computation of Basic EPS (A)	19,968,181	16,483,249
Add: Potential equity shares (B)	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	19,968,181	16,483,249
Profit after Tax attributable to equity shareholders [₹ in millions] (D)	1,974.09	820.48
Nominal Value of share [in ₹]	10.00	10.00
Basic earnings per share [in ₹] (E=(D/A)) (not annualised)	98.86	₹49.78
Diluted earnings per share [in ₹] (F=(D/C)) (not annualised)	98.86	₹49.78

2. Return on Networth

Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax [₹ in millions] (A)	1,974.09	835.58
Average networth [₹in millions] (B) <Refer Note Below>	10,415.09	7,142.73
Return on networth (A/B) (Annualised)	18.95%	11.70%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2018	As at March 31, 2017
Number of equity shares (A)	19,968,181	19,968,181
Networth [₹ in million] (B) <Refer Note Below>	11,400.77	9,429.42
Net asset value per equity share (B/A)	570.95	472.22

4. Debt-equity ratio

Particulars	As at March 31, 2018	As at March 31, 2017
Debt [₹ in millions] (A) <Refer Note Below>	99,272.02	64,712.76
Equity [₹ in millions] (B)	11,509.09	9,535.00
Debt-equity ratio (A/B)	8.63	6.79

Notes: **(₹ in Millions)**

Particulars	As at March 31, 2018	As at March 31, 2017
Share Capital	199.68	199.68
Reserve and Surplus	11,309.41	9,335.32
Total Equity (a)	**11,509.09**	**9,535.00**
Prepaid expense and Unamortised debenture issue expenses	108.32	105.58
Total (b)	**108.32**	**105.58**
Networth c= a-b	**11,400.77**	**9,429.42**
Average Networth (Refer Note a)	**10,415.09**	**7,142.73**
Total Debt		
(i) Debt Securities	44,223.99	35,392.01
(ii) Borrowings (Other than Debt Securities)	50,578.03	26,700.75
(iii) Subordinated Liabilities	4,470.00	2,620.00
Total Debt	**99,272.02**	**64,712.76**

a) Average Networth means sum of opening and closing Networth divided by two.

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: June 15, 2021

MATERIAL DEVELOPMENTS

The following material developments have taken place in the Company since March 31, 2021, till the date of filing this Draft Shelf Prospectus:

1. *Resignation of Ms. Suvalaxmi Chakraborty, Independent Director*

Ms. Suvalaxmi Chakraborty, Independent Director of the Company has resigned to pursue other opportunities. Her resignation was communicated through a resignation notice dated June 15, 2021, to the Board of Directors of the Company.

To the best of the knowledge and in the opinion of the Board of Directors, save and except disclosed elsewhere in this Draft Shelf Prospectus,

(a) there have arisen no circumstances that materially or adversely affect the operations or financial condition or profitability of the Company or the value of its assets or its ability to pay out material liabilities over the next 12 months; or

(b) any material event / development or change having implications on the business of the Company at the time of Issue which may affect the Issue or investor's decision to invest or continue to invest in the Issue.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on March 31, 2021, are as follows:

(₹ in million)

Sr. No.	Nature of Borrowings	Amount Outstanding	%
1	Secured borrowings	125,735.72	96.64
2	Unsecured borrowings	4,366.73	3.36
Total Borrowings		130,102.45	100.00

Note: The amount outstanding represents the net amount of borrowings of our Company (including the impact of effective interest rate method, as required under Ind AS).

Set forth below, is a summary of the borrowings by our Company outstanding as on March 31, 2021, together with a brief description of certain significant terms of such financing arrangements.

A. DETAILS OF SECURED BORROWINGS:

Our Company's secured borrowings outstanding as on March 31, 2021, amount to ₹ 125,735.72 million. Out of this, our Company's secured term loans outstanding amounts to ₹ 67,208.32 million. The working capital demand loans / cash credit outstanding amount to ₹ 940.00 million. The details of the individual borrowings are set out below:

1. *Cash Credit / Working Capital Demand Loan ("WCDL") facilities availed by our Company*

(₹ in million)

Sr. No.	Bank	Facility Type	Date of Sanction/ Renewal	Amount Sanctioned	Amount Outstanding as on March 31, 2021	Repayment Date / Schedule	Prepayment Clause in Loan Agreement
1	IDFC Bank	Cash Credit	June 29, 2018	250.00	150.00	On Demand	N.A.
2	State Bank of India	Cash Credit	May 4, 2016	500.00	300.00	On Demand	N.A.
3	Kotak Mahindra Bank	Cash Credit	September 5, 2017	150.00	-	On Demand	N.A.
4	RBL Bank	Cash Credit	March 27, 2021	500.00	490.00	On Demand	N.A.
5	HDFC Bank	Cash Credit	September 21, 2017	250.00	-	On Demand	N.A.
	Total			**1,650.00**	**940.00**		

Security: The above facilities are secured by a first pari-passu charge on present and future receivables of the Company, administered through Milestone Trusteeship Services Private Limited, as a security trustee for the lenders pursuant to security trustee agreement executed between the Company, Milestone Trusteeship Services Private Limited and the lenders.

2. ***Overdraft against Fixed Deposit ("ODFD") facility availed by our Company***

(₹ in million)

Sr. No.	Bank	Date of Disbursement	Amount Sanctioned	Amount Outstanding as on March 31, 2021	Repayment Date/ Schedule	Prepayment Clause in Loan Agreement
1	RBL Bank	June 27, 2020	4,000.00	-	On Demand	N.A.
2	HDFC Bank	September 21, 2018	50.00	-	On Demand	N.A.
	Total		**4,050.00**	**0.00**		

3. ***Term Loans availed by our Company:***

(₹ in million)

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
1	Axis Bank	June 25, 2018	1,000.00	333.33	December 29, 2021	Repayable in 6 half yearly installment starting from	First pari passu charge by way of hypothecation receivables of	Nil with 15 days' notice

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						the end of 12th Month from the date of disbursement.	standard assets portfolio with a minimum asset cover of 1.10 times of the outstanding loan amount.	
2	Indian Bank (Allahabad Bank)	February 10, 2020	750.00	666.31	March 30, 2025	Repayable in 18 Quarterly installments of ₹ 4.17 crores after moratorium of 6 months.	First pari passu charge in favour of the security trustees on receivables of the Company, book debts, loans and advances, both present and future, with minimum security cover of 1.11 times except those receivables which are specifically and exclusively charged in favour of existing charge holders.	NIL at the time of MCLR change with notice of 30 days or else 0.50%.
3	Bank Of India	December 30, 2016	2,000.00	665.65	January 31, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months and payable at the end of 30th, 36th, 42nd, 48th, 54th and 60th month from the date of first disbursement.	First pari passu charge by way of hypothecation receivables of the Company to the extent of 1.10 times of the outstanding loan amount.	NIL if paid from internally generated cash flows/accruals and equity infusion or else 0.50% for residual period (In any case, 15 days' notice is required).
4	Bank Of India	March 22, 2017	2,500.00	833.39	March 31, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months.	First pari passu charge by way of hypothecation on the receivables of the Company to the extent of 1.10 times of loan amount.	NIL if paid from internally generated cash flows and equity infusion or else 0.50% (In any case, 15 days' notice required).
5	Bank Of India	September 14, 2017	3,500.00	1,747.90	September 28, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months and	First pari passu charge by way of hypothecation on receivables of the company to the extent of 1.10 times of	NIL if paid from internally generated cash flows and equity infusion or spread revised upward

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						payable at the end of 30th, 36th, 42nd, 48th, 54th and 60th month from the first date of disbursement.	outstanding loan amount.	else 0.50% (In any case, 15 days' notice is required).
6	Bank Of India	June 27, 2018	2,000.00	1,666.12	June 29, 2023	Repayable in 6 equal half yearly installments of ₹ 33.33 crore each commencing after initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on receivables of the Company to the extent of 1.10 times of outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or spread revised upward else 0.50% (In any case, 15 days' notice is required)
7	Bank Of India	December 13, 2019	5,000.00	4,999.80	December 26, 2025	Repayable in 8 half yearly installments of ₹ 6.25 million each after initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on receivables of the Company to the extent of 1.10 times of outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or spread revised upward else 0.50% (In any case, 15 days' notice is required)
8	Bank Of Maharashtra	March 27, 2019	1,500.00	1,218.60	June 26, 2024	Repayable in 15 equal quarterly installment of ₹ 9.38 crores & last installment of ₹ 9.30 crores after initial moratorium period of 12 months.	First pari passu charge by way of hypothecation on receivables of the Company to the extent of 1.10 times of outstanding loan amount.	NIL at the time of interest reset with 7 days' notice to be paid from internally generated accruals /fresh equity infusion or else 0.50%.
9	Canara Bank	September 1, 2016	2,000.00	528.76	March 30, 2022	Repayable in 8 half yearly installments of ₹ 25 crores each after initial moratorium period of 12 months from the date of first disbursement.	First pari passu charge by way of hypothecation on all standard receivables of the Company with minimum security coverage to the extent of 1.25 times of outstanding of loan amount.	NIL at the time of reset and if paid from internally generated accruals or else 2%.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
10	Canara Bank	September 16, 2017	2,000.00	1,397.70	March 30, 2023	Repayable in 6 equal half yearly installments of ₹ 33.33 crores after a moratorium period of 24 months from the first drawdown of the loan.	First pari passu charge by way of hypothecation on all standard receivables of the Company with minimum security coverage to the extent of 1.25 times of outstanding of loan amount.	NIL at the time of reset and if paid from internally generated accruals or else 2%.
11	Union Bank Of India (Corporation Bank)	December 26, 2019	1,000.00	748.34	December 31, 2024	Repayable in 20 equal quarterly installments of ₹ 5 crores each.	First pari passu charge by way of hypothecation on receivables of standard assets portfolio with a minimum asset cover of 1.10 times of the outstanding loan amount.	2% of prepaid amount for balance tenure except if prepayment done at the instance of the bank, at the time of rate reset of the loan, if prepaid from surplus cash accruals or equity infusion subject to a prior notice of 15 days
12	Indian Bank	September 21, 2017	3,000.00	1,498.63	September 28, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months and payable at the end of 30th, 36th, 42nd, 48th, 54th and 60th month.	First pari passu charge by hypothecation of receivables created out of bank finance of the Company with minimum security cover to the extent of 1.10 times of outstanding loan amount.	Prepayment to be permitted without any prepayment charges if the Company prepays the loan at any time during the tenure of the loan through internally generated cash accrual and/or fresh equity infusion.
13	Indian Bank	February 28, 2018	1,000.00	665.53	March 20, 2023	Repayable in 12 quarterly installments commencing after initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security cover to the extent of 1.10 times of	Prepayment to be permitted without any prepayment charges if the Company prepays the loan at any time during the tenure of the

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
							outstanding loan amount.	loan through internally generated cash accrual and/or fresh equity infusion.
14	Indian Bank	March 27, 2020	2,000.00	1,998.68	March 31, 2030	Repayable in 96 monthly installments with commencing after initial moratorium period of 24 months.	First pari passu charge on the receivables, book debts, loans and advances of the Company with minimum security cover to the extent of 1.10 times of outstanding loan amount.	In the event of Pre-payment of loan, the bank is entitled to levy a prepayment charge as per the bank's rules in force on the drawing limit or outstanding amount, whichever is higher.
15	Indian Bank	March 27, 2020	2,000.00	1,683.62	March 31, 2025	Repayable in 57 monthly installments commencing after initial moratorium period of 3 months.	First pari passu charge on the receivables, book debts, loans and advances of the Company with minimum security cover to the extent of 1.10 times of outstanding loan amount.	In the event of Pre-payment of loan, the bank is entitled to levy a prepayment charge as per the bank's rules in force on the drawing limit or outstanding amount, whichever is higher.
16	Karnataka Bank	June 24, 2016	1,000.00	165.92	June 29, 2021	Repayable in 6 half yearly installments (i.e., 5 half yearly installments of ₹ 16.66 crores each and last installment being ₹ 16. 70 crores after an initial holiday period of 24 months.	First pari passu charge by way of hypothecation on receivables of the Company with a minimum security coverage of 1.10 times of outstanding loan amount.	2% in case of takeover of liability by other banks, else NIL.
17	Karnataka Bank	March 27, 2017	1,000.00	498.65	June 27, 2022	Repayable in 6 half yearly installments (5 of ₹ 16.66 crores each	First pari passu charge by way of hypothecation on receivables of the	2% in case of takeover of liability by other banks, else NIL.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						and last on ₹ 16. 70 crores after an intial moratorium period of 24 months.	Company with a minimum security coverage of 1.10 times of outstanding loan amount.	
18	Kotak Mahindra Bank	September 5, 2017	1,100.00	157.14	September 26, 2021	Repayable in 14 equal quarterly installments with first instalment falling due at the end of 9 months following the month of disbursement.	First pari passu charge on standard receivables of the Company with a minimum asset cover of 1.15 times on the outstanding loan amount.	Pre-payment of the liabilities of the Borrower in the first 6 months post disbursement shall attract a penal charge of 2% on the outstanding loan amount. Upon completion of 6 months, no prepayment penalty will be payable to the Lenders, if: a) The Borrower prepays the outstanding amount of the loan via internal accrual and/ or by equity infusion; b) The prepayment is effected at the instance of the Lenders; or c) The prepayment is done before or on the date of interest rate reset.
19	Kotak Mahindra Bank	March 9, 2018	500.00	142.86	March 26, 2022	Repayable in 14 equal quarterly installments after an initial moratorium period of 9 months.	First pari passu charge on standard receivables of the Company with a minimum asset cover of 1.15 times on the outstanding loan amount.	Pre-payment of the liabilities of the Borrower in the first 6 months post disbursement shall attract a penal charge of 2% on the outstanding loan amount.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
								Upon completion of 6 months, no prepayment penalty will be payable to the Lenders, if: a) The Borrower prepays the outstanding amount of the loan via internal accrual and/ or by equity infusion; b) The prepayment is effected at the instance of the Lenders or c) The prepayment is done before or on the date of interest rate reset.
20	Punjab National Bank (Oriental Bank Of Commerce)	April 7, 2018	2,000.00	1,659.82	May 30, 2023	Repayable in 6 equal half yearly installments after an intial moratorium period of 24 months.	First pari passu charge on standard receivables with a minimum asset cover of 1.10 times of the outstanding loan amount.	NIL with 15 days' notice.
21	Punjab National Bank (Oriental Bank Of Commerce)	September 10, 2018	2,000.00	1,662.79	September 30, 2023	Repayable in 12 equal quarterly installments after an intial moratorium period of 12 months.	First pari passu charge on standard receivables with a minimum asset cover of 1.10 times on the outstanding loan amount.	NIL with 15 days' notice.
22	Punjab National Bank	February 20, 2018	1,000.00	557.99	June 25, 2023	Repayable in 16 quarterly installments within 12 months from date of first disbursement. The first installment to start after 15th month from date of first	First pari passu charge by way of hypothecation on standard receivables (excluding capital market loans, NPA, irregular accounts) with a minimum asset cover of 1.25 times on the outstanding loan amount.	NIL with 30 days' notice at the time of interest reset or else 1%.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						disbursement, and thereafter at 3 month intervals.		
23	Punjab and Sind Bank	March 20, 2017	1,000.00	499.32	September 14, 2022	Repayable in 6 equal half yearly installments of ₹ 16.67 crores after an initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on standard receivables of the Company with a minimum asset cover of 1.10 times of the outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion.
24	Punjab and Sind Bank	December 27, 2019	1,000.00	899.25	December 30, 2027	Repayable in 30 equal quarterly installments of ₹ 3.33 crores after an initial moratorium period of 6 months.	First pari passu charge by way of hypothecation on standard receivables of the Company with a minimum asset cover of 1.11 times of the outstanding loan amount.	1% if account is adjusted through take over, otherwise, NIL.
25	RBL Limited	October 31, 2018	1,000.00	1,000.00	May 1, 2021	Bullet repayment	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.20 times of the outstanding loan amount.	NA
26	State Bank of India	September 6, 2018	12,000.00	6,749.96	June 30, 2023	Repayable in 16 quarterly installments commencing after an initial moratorium period of 6 months from date of first disbursement.	First pari passu charge by way of hypothecation on all receivables and other current assets to the extent of 1.25 times of the outstanding loan amount.	2% of pre-paid amount. Pre-payment charges will not be levied: (a) In case payment has been made out of cash sweep/ Insurance proceeds; (b) Prepayment has been initiated at the instance of the Lenders; or (c) Loans prepaid out of internal accruals /equity

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
								infusion by promoters.
27	State Bank Of India	May 4, 2016	2,000.00	227.21	September 27, 2021	Repayable in 8 half yearly installments after the moratorium period of 12 months from date of disbursement.	First pari passu charge by way of hypothecation on all receivables and other current assets to the extent of 1.25 times of the outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or else 2%.
28	State Bank of India	March 6, 2018	5,000.00	2,988.24	March 21, 2024	Repayable in 10 equal half yearly installments commencing 12 months after date of first drawal.	First pari passu charge by way of hypothecation on all receivables and other current assets to the extent of 1.25 times of the outstanding loan amount.	1% of prepaid amount (loans prepaid from own resources will not attract prepayment charges). Further, no prepayment penalty if loan is prepaid within 30 days of reset date.
29	Canara Bank (Syndicate Bank)	September 1, 2016	2,000.00	1,000.00	September 21, 2022	Repayable in 6 equal half yearly after a moratorium period of 24 months	First pari passu charge by way of hypothecation on all standard receivables of the Company with minimum security coverage to the extent of 1.20 times of outstanding loan amount.	2% or 1% depending on the balance tenure of the loan, NIL if paid from internal accruals.
30	Canara Bank (Syndicate Bank)	February 16, 2018	1,500.00	1,250.00	September 23, 2023	Repayable in 12 equal quarterly installments after moratorium of 24 months	First pari passu charge by way of hypothecation on all receivables of the company with minimum security coverage 1.11 times outstanding of loan amount.	2% or 1% depending on the balance tenure of the loan, NIL if paid from internal accruals.
31	Canara Bank (Syndicate Bank)	August 21, 2019	2,000.00	1,714.29	June 27, 2023	Repayable in 7 equal half yearly installments after an initial moratorium period of 3 months.	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security coverage to the extent of 1.11 times of outstanding loan amount.	NIL if paid from internal accruals or else applicable charges.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
32	Canara Bank (Syndicate Bank)	September 13, 2019	3,000.00	2,785.71	June 23, 2027	Repayable in 14 equal half yearly installments. 1st installment shall fall due after 9 months from the date of first disbursement.	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security coverage to the extent of 1.11 times of outstanding loan amount.	NIL if paid from internal accruals or else applicable charges.
33	Punjab National Bank (United Bank Of India)	March 26, 2019	2,000.00	1,998.08	March 27, 2024	Repayable in 3 equal yearly installments after a moratorium period of 2 years.	First pari passu charge on standard receivables to the extent of 1.10 times on the outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or else 1.18%.
34	Central Bank of India	February 24, 2020	2,500.00	2,499.77	December 31, 2030	Repayable in 18 equal half yearly installments with 1st installment falling due at month end of 12th month from the date of disbursement of each tranche and last installment falling due at month end of 120th month from the date of disbursement of each tranche	First pari passu charge by way of hypothecation on all standard receivables/loan book of the Company with minimum asset cover to the extent of 1.11 times of outstanding loan amount.	NIL if prior notice of 30 days provided otherwise 1% p.a.
35	Canara Bank	November 10, 2020	5,000.00	5,000.00	May 12, 2030	Repayable in 17 half yearly installments after an intial moratorium period of 18 months.	First pari passu charge on all present and future receivables of standard loan assets of the Company with minimum security coverage of 1.11 times of outstanding loan amount.	NIL if 6 month prior notice else 2%.
36	Karnataka Bank	December 30, 2020	1,000.00	999.88	October 30, 2023	Repayable in 10 quarterly installments of	First pari passu charge on standard receivables/book	2% in case of takeover of

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						₹ 100 crores each after a holiday period of 4 months.	debts of the Company with minimum security cover of 1.10 times of outstanding loan amount.	liability by other banks.
37	LIC Housing Finance	October 28, 2020	4,000.00	3,894.60	November 1, 2030	Repayable in 120 equal monthly installments payable on the 1st of every month falling in succeeding month.	First pari passu charge on all receivables and other current assets of standard assets portfolio to the extent of 1.25 times on the outstanding loan amount.	2% of the Principal amount ahead of repayment schedule.
38	Punjab & Sind Bank	March 18, 2021	2,000.00	1,999.94	March 22, 2028	Repayable in 13 half yearly installments of ₹ 15.40 crores each after an initial moratorium period of 6 months from the date of first disbursement.	First pari passu charge by way of hypothecation on standard receivables, book debts, loans and advances of the Company with a minimum asset cover of 1.11 times of the outstanding loan amount.	If the account is adjusted through take over, prepayment penalty of 1% would be charged and in all other cases, prepayment charges are NIL.
39	LIC Housing Finance	March 23, 2021	5,000.00	5,000.00	April 1, 2031	Repayable in 120 equal installments.	First pari passu charge on all receivables and other current assets of standard assets portfolio to the extent of 1.25 times of the outstanding loan amount.	1% for up to 2 years from date of disbursement; after 2 years, no penalty.
40	RBL Bank Limited	March 27, 2021	1,000.00	1,000.00	March 31, 2024	Repayable in 12 equal quarterly installments from the date of disbursement.	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.20 times of the outstanding loan amount.	No prepayment charges if the Bank so demands by giving a prior written notice to the Borrower of 30 (Thirty) business days.
	EIR adjustments			(131.70)				
	Accrued Interest			336.25				
	Grand Total			**67,208.32**				

Note : *The above facilities are secured by a first pari passu charge on present and future receivables of the Company, administered through Milestone Trusteeship Services Private Limited, as a security trustee for the lenders pursuant to security trustee agreement executed between the Company, Milestone Trusteeship Services Private Limited and the lenders.*

4. National Housing Finance Refinance

(₹ in million)

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
1	National Housing Bank	November 15, 2016	1,500.00	Tranche I- 92.40 Tranche II - 119.00 Tranche III- 12.59 Tranche IV- 13.60 Tranche V- 27.40 Tranche VI- 77.45	October 1, 2022 January 1, 2023 January 1, 2023 April 1, 2022 April 1, 2022 July 1, 2026	Each disbursement shall be repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	Refer Note
2	National Housing Bank	June 9, 2017	1,500.00	295.65	April 1, 2027	Each disbursement shall be repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	Refer Note
3	National Housing Bank	October 10, 2017	5,000.00	Tranche I- 1234.83 Tranche II- 666.60 Tranche III- 424.23 Tranche IV- 207.90 Tranche V- 221.20	January 1, 2027 April 1, 2026 April 1, 2030 January 1, 2029 January 1, 2025	Each disbursement shall be repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced	Refer Note

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
							2. Corporate Guarantee by IIFL Finance Limited	
4	National Housing Bank	September 17, 2018	10,000.00	Tranche I- 744.00	October 1, 2032	Each disbursement shall be repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	Refer Note
				Tranche II- 2328.44	October 1, 2031			
				Tranche III- 2317.53	October 1, 2031			
				Tranche IV- 1534.70	July 1, 2025			
5	National Housing Bank	December 19, 2019	4,500.00	3,552.40	January 1, 2025	Repayable in a maximum of 20 quarterly installments.	First exclusive charge on unencumbered individual housing loan portfolio with a minimum asset coverage of 120%	Refer Note
6	National Housing Bank	December 19, 2019	5,000.00	Tranche I - 421.60	October 1, 2025	Repayable in a maximum of 40 equal quarterly installments (maximum of 28 equal quarterly installments in case of refinance under AHF scheme) and in accordance with the applicable refinance policy.	First exclusive charge on unencumbered individual housing loan portfolio with a minimum asset coverage of 120%	Refer Note
				Tranche II- 1562.80	January 1, 2025			
				Tranche III- 2262.95	April 1, 2030			
7	National Housing Bank	May 14, 2020	3,000.00	3,000.00	May 20, 2021	Repayable in a maximum of one year and in accordance with Additional Special Refinance Facility.	First exclusive charge on unencumbered individual housing loan portfolio in favor of NHB with minimum asset coverage of 100%	Can be repaid with a prior notice of 30 days.

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned	Principal Amount Outstanding as on March 31, 2021	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
8	National Housing Bank	September 7, 2020	1,520.00	1,520.00	September 10, 2021	Repayable in a maximum of one year and in accordance with Additional Special Refinance Facility.	First exclusive charge on unencumbered individual housing loan portfolio in favor of NHB with minimum asset coverage of 100%	Can be repaid with a prior notice of 30 days.
9	National Housing Bank	November 27, 2020	5,000.00	Tranche I-3851.80	October 1, 2027	Repayable in a maximum of 40 equal quarterly installments (maximum of 28 equal quarterly installments in case of refinance under AHF scheme) and in accordance with the applicable refinance policy.	First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	Refer Note
				Tranche II-682.00	October 1, 2030			
				Tranche III-284.90	January 1, 2026			
			Grand Total	**27455.97**				

The National Housing Bank Refinance is repayable in quarterly installments for the tenure of loan sanctioned as per the refinance schemes except in special refinance scheme where repayment is to be done in bullet payment (serial no. 7 and 8). In the case of adverse, balance arising due to pre-closure of loans in normal operation of lending and accelerated repayments, the shortfall is repaid as per the scheme provisions to ensure that flagged loans outstanding is equal or more than the refinance outstanding.

Note – Pre - Repayment Criteria

a. the refinance availed by the HFC can be prepaid without any prepayment charges subject to fulfillment of all the following conditions

- *Such refinance is availed under the Rural Housing Fund, Urban Housing Fund, Special urban refinance scheme for low income households, or under regular refinance schemes at regular rates*
- *The HFC has received the said amounts from the ultimate borrowers under these schemes and*
- *The prepayment is made not more than once in quarter after giving a two week notice. Two months' notice required on loans with Sr. No. 5,6 and 9)*

b. The refinance availed by the HFC can be prepaid by them without any prepayment charges subject to the following conditions
- *The said refinance has at least run for one year (including the required period of notice*
- *Prior notice of 2 months given to NHB*
- *Such prepayment is made not more than once in any half year (Jan-June or July-Dec)*

c. In all other cases, prepayment would be accepted from the company upon payment of prepayment charges as stated below and subject to the company giving Two months' notice in writing of its intention to prepay.

(i) If time elapsed since disbursement is upto 1 year then prepayment charges are 1% of amount to be prepaid

(ii) If time elapsed since disbursement is more than 1 year then prepayment charges are 0.5% of amount to be prepaid

d. All other terms and conditions of refinance as applicable to Housing Finance Companies as communicated from time to time shall continue to be applicable

5. Secured Redeemable Non-Convertible Debentures

5.1 *Public Issue*

Our Company has, vide public offering issued secured, listed, redeemable, non-convertible debentures of face value ₹1,000 each as on March 31, 2021, the details of which are set out below:

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenor / Period	Credit Rating
1	11.52% Secured Redeemable Non-Convertible Debenture. of Face Value of Rs.1,000 redeemable on December 27, 2018.	INE477L07040	Nil	December 27, 2013	December 26, 2018	11.52 %	60 months	CRISIL AA-/Stable & CARE AA-
	TOTAL		**Nil**					

5.2 *Private Placement*

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 21027.50 million is outstanding as on March 31, 2021, the details of which are set forth below:

(₹ in million)

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
1	8.60% Secured Listed Redeemable Non Convertible Debentures. Series D3. Date of Maturity February 11, 2028	INE477L07AG3	180.00	February 11, 2021	February 11, 2028	8.60%	2,556	CRISIL AA & ICRA AA
2	8.62% Secured Listed Redeemable Non Convertible Debentures. Series D4. Date of Maturity March 12, 2028	INE477L07AH1	190.00	March 12, 2021	March 12, 2028	8.62%	2,557	CRISIL AA & ICRA AA
3	Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date of Maturity April 6, 2021	INE477L07800	150.00	December 6, 2017	April 6, 2021	Zero Coupon	1,217	ICRA
4	Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B.	INE477L07800	120.60	December 29, 2017	April 6, 2021	Zero Coupon	1,194	ICRA

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Reissue Date Of Maturity April 6, 2021							
5	Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date of Maturity April 30, 2021	INE477L 07826	100.00	March 14, 2018	April 30, 2021	Zero Coupon	1,143	ICRA AA
6	Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Re-issue Date Of Maturity April 30, 2021	INE477L 07826	432.56	April 9, 2018	April 30, 2021	Zero Coupon	1,117	ICRA AA
7	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date Of Maturity May 19, 2021	INE477L 07867	500.00	June 29, 2018	May 19, 2021	Zero Coupon	1,055	ICRA AA
8	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date of Maturity May 25, 2021	INE477L 07842	260.00	May 15, 2018	May 25, 2021	Zero Coupon	1,106	ICRA AA
9	IDFC MCLR Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date Of Maturity June 28, 2021	INE477L 07859	2,000.00	June 28, 2018	June 28, 2021	9.20%	1,096	ICRA AA
10	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date Of Maturity July 15, 2021	INE477L 07891	240.00	July 24, 2018	July 15, 2021	Zero Coupon	1,087	CRISIL AA
11	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1.	INE477L 07883	2190.00	July 24, 2018	July 26, 2021	Zero Coupon	1,098	CRISIL AA

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Date Of Maturity July 26, 2021							
12	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date Of Maturity July 26, 2021	INE477L 07883	160.59	August 8, 2018	July 26, 2021	Zero Coupon	1,083	CRISI L AA
13	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date of Maturity August 5, 2021	INE477L 07875	250.00	June 29, 2018	August 5, 2021	Zero Coupon	1,133	ICRA AA
14	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date of Maturity August 11, 2021	INE477L 07917	720.00	August 29, 2018	August 11, 2021	Zero Coupon	1,078	CRISI L AA
15	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Reissue Date Of Maturity August 11, 2021	INE477L 07917	50.03	August 31, 2018	August 11, 2021	Zero Coupon	1,076	CRISI L AA
16	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Reissue Date Of Maturity August 11, 2021	INE477L 07917	197.78	October 12, 2018	August 11, 2021	Zero Coupon	1,034	CRISI L AA
17	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date of Maturity October 26, 2021	INE477L 07966	100.00	October 12, 2018	October 26, 2021	Zero Coupon	1,110	CRISI L AA
18	8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I.	INE477L 07701	50.00	November 3, 2016	November 3, 2021	8.90%	1,826	CARE AA & ICRA AA

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Date of Maturity November 3, 2021							
19	9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date of Maturity January 24, 2022	INE477L 07909	500.00	July 24, 2018	January 24, 2022	9.38%	1,280	ICRA AA & CRISI L AA
20	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date of Maturity April 4, 2022	INE477L 07941	240.00	September 17, 2018	April 4, 2022	Zero Coupon	1,295	CRISI L AA
21	G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date of Maturity April 21, 2022	INE477L 07933	334.00	September 6, 2018	April 21, 2022	MARK ET LINKE D	1,323	CRISI L PP-MLD AAr
22	8.96% Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option 1. Date of Maturity November 15, 2019, May 15, 2020, November 15, 2020, May 15, 2021, November 15, 2021 and May 15, 2022	INE477L 07AC2	843.75	May 15, 2018	May 15, 2022	8.56%	1,459	ICRA AA
23	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity September 29, 2022	INE477L 07958	580.00	September 25, 2018	September 29, 2022	Zero Coupon	1,465	CRISI L AA
24	G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity April 25, 2024	INE477L 07990	300.00	January 24, 2019	April 25, 2024	MARK ET LINKE D	1,918	CRISI L PP-MLD AAr
25	G- Sec Linked Secured Rated Listed Principal Protected	INE477L 07990	201.89	February 4, 2019	April 25, 2024	MARK ET	1,907	CRISI L PP-

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity April 25, 2024					LINKED		MLD AAr
26	G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date of Maturity June 27, 2024	INE477L07AB4	200.00	March 28, 2019	June 27, 2024	MARKET LINKED	1,918	CRISIL PP-MLD AAr
27	10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Date of Maturity December 19, 2025	INE477L07982	150.00	December 20, 2018	December 19, 2025	10.33%	2,556	CRISIL AA/ ICRA AA
28	10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Date of Maturity March 20, 2026	INE477L07AA6	150.00	March 20, 2019	March 20, 2026	10.05%	2,557	CRISIL AA & BWR AA+
29	9.18% Secured Rated Listed Redeemable Non Convertible Debenture. Series C15. Date of Maturity October 3, 2029	INE477L07AD0	3,000.00	October 3, 2019	October 3, 2029	9.18%	3,653	CRISIL AA
30	8.00% Secured Rated Listed Redeemable Non Convertible Debenture. Series D1. Date of Maturity February 18, 2022	INE477L07AE8	1,250.00	August 19, 2020	February 18, 2022	8.00%	548	CRISIL AA
31	8.69% Secured Rated Listed Redeemable Non Convertible Debenture. Series D2. Date of Maturity November 12, 2030	INE477L07AF5	3,000.00	November 12, 2020	November 12, 2030	8.69%	3,468	CRISIL AA
	EIR		(14.01)					

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Accrued Interest		2,400.31					
	Grand Total		**21,027.50**					

Note: The debentures as stated above are fully secured by first pari passu charge on receivables of the Company/ current assets / book debts, and first pari passu charge on the identified immovable property.

5.3 External Commercial Borrowings*:*

As on March 31, 2021 we have one outstanding borrowing of ₹ 3,630.75 million by way of External Commercial Borrowings. The total outstanding after Ind AS adjustment on account of Effective Interest Rate and mark to market losses is ₹ 3,650.89 million of External Commercial Borrowings..

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned	Amount outstanding as on March 31, 2021	Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
1	State Bank Of India	July 6, 2018	3,630.80	3,630.75	September 26, 2023	Bullet repayment of each tranche after 5 years from respective drawdown date	First pari passu charge by way of hypothecation on all current and future loans, investments and current assets with a minimum asset cover of 1.25 times on the outstanding loan amount	Loan can be prepaid on any interest payment date after the last day of availability period in whole or in part on 15 business days prior notice with a minimum prepayment of USD 5 million and integral multiples thereof, subject to compliance of minimum average maturity period as per RBI guidelines
	EIR adjustments			(24.35)				
	MTM adjustments			44.49				
	Grand Total			**3,650.89**				

Note: *The above facility is secured by a first pari passu charge on present and future receivables of the Company, administered through Milestone Trusteeship Services Private Limited, as a security trustee for the lenders pursuant to security trustee agreement executed between the Company, Milestone Trusteeship Services Private Limited and the lenders.*

6. ***Medium Term Notes***

Our Company has not issued any Medium Term Notes as on March 31, 2021.

7. ***Our company has raised funds by way of PTC Transaction amounting to ₹5,453.04 million as on March* 31, 2021, as stated below:**

(₹ in million)

Sr. No.	Deal Name	Underlying Portfolio	Original Transaction date	Amount outstanding
1	Elite Mortgage HL Trust Dec 2016	Housing Loan	December 30, 2016	197.01
2	Elite Mortgage LAP Trust Dec 2016	Loan and Property	December 30, 2016	129.63
3	Elite Mortgage HL Trust June 2016	Housing Loan	June 30, 2016	253.30
4	Elite Mortgage LAP Trust June 2016	Loan and Property	June 30, 2016	112.13
5	Elite Mortgage HL Trust June 2019	Housing Loan	June 22, 2019	2,590.89
6	Elite Mortgage HL Trust Sept 2016	Housing Loan	September 30, 2016	254.19
7	Elite Mortgage LAP Trust Sept 2016	Loan and Property	September 30, 2016	154.44
8	Solitaire Mortgage - 2 Trust June 2017	Housing Loan	June 29, 2017	472.41
9	Solitaire Mortgage - 1 Trust March 2017	Housing Loan	March 20, 2017	1,289.04
	Total			**5,453.04**

8. ***Collateralised borrowing and lending obligation***

As on March 31, 2021, our outstanding Collateralised borrowing and lending obligation is NIL.

B. DETAILS OF UNSECURED BORROWINGS

Our Company has ₹ 4,366.73 million unsecured borrowings outstanding as on March 31, 2021. The details of the individual borrowings are set out below:

1. ***Commercial Papers***

Our company has not issued any Commercial Papers as on March 31, 2021.

2. ***Loan from Directors and Relatives of Directors***

Our Company does not have any borrowings from directors and relatives of directors as on March 31, 2021, which are in the nature of demand loans and are unsecured.

3. ***Subordinated Debts***

3.1 Public Issue

Our Company has, vide public offering issued unsecured, rated, listed, redeemable, non-convertible debentures of face value ₹1,000 each as on March 31, 2021, the details of which are set out below:

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenor / Period	Credit Rating
1	12.00% Unsecured Redeemable Non-Convertible Debenture. of Face Value of Rs.1,000 redeemable on 07-May-2022 at par.	INE477L08014 & INE477L08022	Nil.	April 3, 2014	April 2, 2020	12.00 %	6 years	CRISIL AA-/Stable & [ICRA] AA-
	TOTAL		**Nil**					

3.2 Private Placement

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible debentures under various series of which ₹ 4,366.73 million is outstanding as on March 31, 2021, the details of which are set forth below:

(₹ in million)

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
1	10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U01. Date of Maturity July 26, 2021	INE477 L08030	170.00	July 24, 2015	July 26, 2021	10.50%	2,194	CARE AA & ICRA AA
2	10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U02. Date of Maturity August 10, 2021	INE477 L08048	100.00	August 10, 2015	August 10, 2021	10.50%	2,192	ICRA AA
3	9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date of Maturity January 25, 2022	INE477 L08055	100.00	January 21, 2016	January 25, 2022	9.30%	2,196	ICRA AA & Brickwork AA+
4	9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date of Maturity February 11, 2022	INE477 L08063	100.00	February 12, 2016	Februar y 11, 2022	9.30%	2,191	ICRA AA & Brickwork AA+
5	8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date of Maturity April 14, 2023	INE477 L08097	500.00	July 27, 2017	April 14, 2023	8.93%	2,087	ICRA AA & Brickwork AA+
6	9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U05. Date of Maturity May 29, 2023	INE477 L08071	150.00	May 30, 2016	May 29, 2023	9.30%	2,555	ICRA AA & Brickwork AA+
7	8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures.	INE477 L08089	750.00	July 27, 2017	July 27, 2027	8.85%	3,652	ICRA AA & Brickwork AA+

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Series U06. Date of Maturity July 27, 2027							
8	9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date of Maturity February 28, 2028	INE477 L08105	100.00	February 28, 2018	February 28, 2028	9.05%	3,652	ICRA AA,Brickworks AA+
9	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date of Maturity June 16, 2028	INE477 L08113	400.00	June 18, 2018	June 16, 2028	9.85%	3,651	ICRA AA,Brickworks AA+
10	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date of Maturity July 13, 2028	INE477 L08121	300.00	July 13, 2018	July 13, 2028	9.85%	3,653	Crisil AA,Brickworks AA+
11	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date of Maturity August 11, 2028	INE477 L08139	1000.00	August 14, 2018	August 11, 2028	MARKET LINKED	3,650	CRISIL PP-MLD AAr
12	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series UA3. Reissue Date of Maturity August 11, 2028	INE477 L08139	184.27	September 11, 2018	August 11, 2028	MARKET LINKED	3,622	CRISIL PP-MLD AAr
13	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series UA3.	INE477 L08139	80.89	September 28, 2018	August 11, 2028	MARKET LINKED	3,605	CRISIL PP-MLD AAr

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on March 31, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure / Period (Days)	Credit Rating
	Reissue Date of Maturity August 11, 2028							
	EIR adjustments		(34.54)					
	Accrued Interest		466.12					
	Total		**4,366.73**					

3.3 Rupee Denominated Bonds

Our Company has not issued any Rupee Denominated Masala Bonds as on March 31, 2021.

C. DETAILS OF ANY INTER-CORPORATE LOANS, DEPOSITS AND OTHER BORROWINGS

(₹ in million)

Sr. No.	Lender's Name	Date of Disbursement	Rate of Interest	Maturity Date	Amount Outstanding as on March 31, 2021
NIL					

D. SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES, PAYMENT OF DUE INTEREST ON DUE DATES ON FINANCING FACILITIES OR DEBT SECURITIES

In the past 5 years preceding the date of this Draft Shelf Prospectus, there has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any financing facilities or term loan or debt security including corporate guarantee issued by the Company.

E. THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE COMPANY ALONG WITH THE NAME OF THE COUNTER PARTY ON BEHALF OF WHOM IT HAS BEEN ISSUED

The Company has not issued any Corporate Guarantees as on March 31, 2021.

F. LIST OF TOP 10 DEBENTURE HOLDERS (SECURED AND UNSECURED) AS ON MARCH 31, 2021:

(₹ in million)

S. No.	Name	Total Value
1	Life Insurance Corporation Of India	6,000.00
2	IDFC First Bank Limited	2,000.00
3	UTI Mutual Fund	1,980.00
4	HDFC Mutual Fund	1,080.00
5	State Bank of India	1,000.00
6	DSP Mutual Fund	1,000.00
7	Kotak Mahindra Mutual Fund	990.00
8	HDFC Bank Limited	843.75
9	Nippon Life Mutual Fund	822.00
10	Sporta Technologies Private Limited	525.00

Note: The above top 10 debenture holders is as per the Beneficiary position received from the RTA as on March, 2021 and have adjusted for the NCDs which we have been partly redeemed on or before 31 March, 2021 but the part redemption of the said ISINs from depository registry were pending as on 31st March 2021.

G. DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED WHERE TAKEN/ ISSUED (A) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR IN PART, (B) AT A PREMIUM OR DISCOUNT, OR (C) IN PURSUANCE OF AN OPTION AS ON MARCH 31, 2021.

For the Point (C), our Company has issued the following NCDs having embedded option in it:

(₹ in million)

Sr. No.	Particulars	Call option date	Amount Outstanding
1	10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Date of Maturity - December 19, 2025	December 12, 2023	150.00
2	8.96% Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option 1. Date Of Maturity - November 15, 2019, May 15, 2020, November 15, 2020, May 15, 2021, November 15, 2021, May 15, 2022	November 15, 2019, May 15, 2020, November 15, 2020, May 15, 2021, November 15, 2021, May 15, 2022	843.75
3	9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date of Maturity - February 2, 2028	After 6 years from the deemed date of allotment	100.00
4	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date of Maturity - June 16, 2028	After 7 years from the deemed date of allotment	400.00
5	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date of Maturity - July 13, 2028	After 7 years from the deemed date of allotment	300.00
6	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date of Maturity - August 11, 2028	May 14, 2024	1,265.16
7.	10.05% Secured Rated Listed Redeemable Non-Convertible Debenture. Series C13. Date of Maturity March 20, 2026	March 2020, 2024	150.00

Other than the securities mentioned above, our Company has no outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on March 31, 2021.

H. DETAILS OF REST OF BORROWINGS IF ANY, INCLUDING HYBRID DEBT INSTRUMENTS SUCH AS FOREIGN CURRENCY CONVERTIBLE BONDS OR CONVERTIBLE DEBENTURES AND PREFERENCE SHARES AS ON MARCH 31, 2021

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds or convertible debentures and preference shares, as on March 31, 2021.

Restrictive covenants under the financing arrangements:

The Company requires the prior written consent of lenders/debenture trustee to undertake the following actions:

(a) Change or in any way alter the capital structure.

(b) Effect any scheme of amalgamation or reconstruction.

(c) Effect any change in control of the Company.

(d) Implement a new scheme of expansion or take up an allied line of business or manufacture.

(e) Declare a dividend or distribute profits after deduction of taxes, except where the installments or principal and interest payable to the lenders in respect of the aforesaid arrangements are being paid regularly and there are no irregularities whatsoever in respect of any of the aforesaid arrangements.

(f) Enter into contractual obligations of a long-term nature or affecting the company financially to a significant extent.

(g) Permit any transfer of the controlling interest or make any drastic change in the management set-up.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND STATUTORY DEFAULTS

Our Company is required to disclose in this Draft Shelf Prospectus, details of pending litigation involving our Company, our Promoter, our Directors, our Group Companies, and any other persons, which could have a material adverse effect on the position of our Company.

Additionally, in relation to our Company we are required to disclose the following:(a) pending proceedings initiated against our Company for economic offences; (b) material regulatory proceedings against our Company; (c) default and non-payment of statutory dues, etc.by our Company; (d) acts of material frauds committed against our Company in the five years preceding the date of this Draft Shelf Prospectus; (e) any inquiry, inspection, or investigation initiated or conducted under the Companies Act, 1956 / Companies Act, 2013 in the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus.

Further, in relation to our Promoter, we are additionally required to disclose (a) any litigation or legal action pending or taken by any ministry or department of the Government or a statutory body / authority against our Promoter during the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus and (b) pending material regulatory proceedings against our Promoter.

In terms of the Materiality Policy, all outstanding criminal proceedings, tax proceedings, and actions by statutory / regulatory authorities involving our Company, our Promoter, our Directors, and our Group Companies, are deemed to be material. Further, in relation to our Company and our Promoter, such other pending litigation / arbitration proceeding has been considered material if (a) the quantified monetary amount of the claim by, or against, our Company or Promoter in any such pending proceeding exceeds 1% of the standalone profit after tax of the Company as on March 31, 2021 i.e. ₹ 40.11 million rounded off to ₹ 40 million; and (b) where the monetary liability is not quantifiable, the outcome of such litigation proceeding may have a material adverse effect on the position, business, operations, prospects, credit quality or reputation of our Company. Additionally, in relation to our Group Companies and our Directors, such other pending litigation / arbitration proceeding has been considered material in the event that the outcome of such proceeding may have a material adverse effect on the position, business, operations, prospects, credit quality, or reputation of our Company.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation involving our Company

I. Litigation whose outcome could have a material adverse effect on our Company

(i) Criminal proceedings

Against our Company

Except as stated below, there are no outstanding criminal proceedings against our Company, as on the date of this Draft Shelf Prospectus:

1. A FIR dated November 16, 2015 was registered by Ramesh Janjani at the Adarsh Nagar Ajmer Police Station under Sections 384, 409 & 420 of IPC against the employees of IIHFL for the offence of, inter alia, cheating and criminal breach of trust. Complaint has been withdrawn as the matter has been settled and compromised. However, the final report by the investigating officer is yet to be filed before court for closure of the complaint.

2. A FIR dated November 1, 2019 was filed by Manoj R Kumar at Hari Parvat Police Station, Agra under Sections 120B, 506 and 420 of IPC in Agra District of UP against our Company through Mr. Nirmal Jain and Assets Reconstruction Company (India) Limited through Mr. Vinayak Bahuguna. Mr. Manoj R Kumar, the complainant has alleged that our company had misused the cheques given by him as security and filed complaint under Section 138 of NI Act against these cheques in District and Sessions Court, Gurugram. This matter had been compromised and the police based on the compromised filed the final report. The matter is currently pending.

3. A FIR dated June 18, 2019 was registered by Devender Kumar at the Faridabad Kotwali Police Station under Sections 120B, 406, 419, 420, 467, 468 and 471 of IPC against unknown person alleging that fraud is committed against him. The complainant availed loan from our Company for the purchase of the property and Company the company is asked to present the transaction documents to support the investigation. The chargesheet has been filed.

By our Company

1. 17844 criminal complaints have been filed by our Company against the customers or borrowers of our Company before various judicial forums under Section 138 of the NI Act and Section 25 of the Payment and Settlement Systems Act, 2007 for cheques that bounced on presentation. The aggregate amount involved in these matters is approximately ₹ 5,181.91 million. These matters are currently pending.

2. A FIR dated April 6, 2016 was filed by our Company at the Ashok Nagar Police Station, Bengaluru, against Tanveer Pasha and other co-borrowers ("**Accused**") alleging, among others, cheating and criminal breach of trust under Sections 420 and 406 of the IPC. It was alleged that the Accused had conspired with certain builders to cause a loss to our Company by way of wrongfully inducing our Company to disburse a loan of ₹ 11.75 million in their favour. The charge sheet has been filed.

3. A FIR dated October 16, 2018 was registered by our Company at the Jahangirabad Police Station, Bhopal against Ramesh Bachhani ("**Accused**"), alleging among other things, trespassing and causing damage to the mortgaged property by the Accused under Section 448 of the IPC. Our Company had received possession of the property subsequent to filing an application under Section 14 of the SARFAESI Act. Our Company had previously disbursed a loan of ₹ 26.34 million in favour of the Accused. It was alleged that the Accused had conspired to cause a loss to our Company. The matter is pending investigation.

4. A FIR dated November 8, 2016 was registered by our Company at the Kalyan Police Station, District Thane, Mumbai against Anand Rajaram Yadav ("**Accused**"), alleging among other things, cheating and criminal breach of trust under Sections 420 and 406 of the IPC. It was alleged that the Accused had conspired to cause a loss to our Company by raising funds on the same property from different lenders multiple times. Our Company had disbursed a loan of ₹ 3.15 million in favour of the Accused. Accused has been arrested. The matter is pending investigation.

5. A FIR dated January 2, 2017 was registered by our Company at the Navrangpura Police Station, Ahmedabad, against Mihir Desai ("**Accused**") alleging among other things, cheating and criminal breach of trust under Sections 420 and 406 of the IPC. It was alleged that the Accused had conspired to cause a loss to our Company by creating a subsequent mortgage on property previously mortgaged in favour of our Company and entering into an agreement for transfer of title and possession of the mortgaged property to third parties. Our Company had disbursed a loan of ₹ 31.31 million in favour of the Accused. Accused has been arrested and currently on bail. Our Company has filed Criminal Miscellaneous Application before City Civil and Sessions Court, Ahmedabad for cancellation of bail of the accused borrower. Further, our Company has sold the secured asset as per the provisions of SARAFESI Act. The matter is pending investigation.

6. A FIR dated September 10, 2015 was registered by our Company at the Vidhayak Puri Police Station, Jaipur, against Prem Chand Sharma ("**Accused**") alleging among other things, cheating and criminal breach of trust under Sections 420 and 406 of the IPC. It was alleged that the Accused had conspired to cause a loss to our Company by creating a subsequent mortgage on property previously mortgaged in favour of our Company and entering into an agreement for transfer of title and possession of the mortgaged property to third parties. Our Company had disbursed a loan of ₹ 1.11 million in favour of the Accused. The matter is pending investigation.

7. A FIR dated May 21, 2019 was registered by our Company at the Malad Police Station, Mumbai against Subir Chakrabourty ("**Accused**"), alleging among other things, trespassing and causing damage to the mortgaged property by the Accused under Sections 448, 427 and 34 of the IPC. Our Company had received possession of the property subsequent to filing an application under Section 14 of the SARFAESI Act. Our Company had previously disbursed a loan of ₹ 49.90 million in favour of the Accused. It was alleged that the Accused had conspired to cause a loss to our Company. The matter is pending investigation.

8. A FIR dated September 7, 2019 was registered by our Company at the Udyog Vihar Police Station, Gurugram against Dwarkadheesh Project Private Limited and six borrowers of our Company ("**Accused**"), alleging that the Accused had conspired to cause loss to our Company. Our Company had previously disbursed a loan of ₹ 10.64 million in favour of the Accused.. This complaint is against the builder/developer i.e. Dwarkadeesh Project Private Limited and involves seven loan facilities. Out of the seven loan facilities sanctioned of the developer two facilities have been closed as settled. The matter is under investigation.

9. A FIR no. 266/20 dated June 11, 2020 was registered by our Company at the Para Police Station, Lucknow against Ankit Gupta, Santosh Kumar and Meewati ("**Accused**") under Sections 419, 420, 467, 468 and 471 of IPC, alleging inter alia,

cheating and criminal breach of trust, forgery and caused a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 3.16 million in favour of the accused. The matter is under investigation.

10. A FIR dated October 21, 2019 was registered by our Company at Kotwali Police Station, Kanpur City against Rajveer Singh Bhaduria and other co-borrowers ("**Accused**") under Sections 120B, 504, 406 and 420 of the IPC, alleging that the Accused had conspired to commit cheating, criminal breach of trust and cause a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 3.46 million in favour of the Accused. Chargesheet has been filed by the Police.

11. A FIR dated January 24, 2020 was registered by our Company at the Ashok Nagar Police Station, Jaipur against Giriraj Ratan Daga and other co-borrowers ("**Accused**") under Sections 120B, 406, 409, 420, 467, 468 and 471 of the IPC, alleging that the Accused had conspired to commit cheating, forgery and cause a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 38 million in favour of the Accused. Chargesheet has been filed by the Police.

12. A FIR dated January 27, 2021 was registered by our Company at the Udyog Vihar Police Station, Gurugram against Ashok Kumar and others co-borrowers ("**Accused**") under Sections 120B, 419, 420, 467, 468, 34 and 471 of IPC, alleging that the Accused had conspired to commit cheating, cheating by personation, forgery and cause a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 20.3 million in favour of the Accused and the outstanding amount is ₹ 22.5 million. Currently, the matter is under investigation.

13. A FIR dated November 16, 2015 against Uttam Kr. Asrani was registered against IIFL in the ordinary course of business, in relation to its home loan/loan against property portfolio. The allegations have been lodged for cheating under various Sections 420, 406, 463, 464, 467, 468, 471 and 120B of IPC. The matter is pending for further investigation by the concerned office.

(ii) Material civil litigation

Against our Company

Except as stated below, there are no outstanding material civil proceedings against our Company, as on the date of this Draft Shelf Prospectus:

1. An application under Section 17 (1) of the SARFAESI Act dated September 2, 2019 was filed by Corporation Bank with the Debt Recovery Tribunal at New Delhi, for restraining our Company to initiate SARAFAESI proceedings against the few residential units of the project land allegedly secured with Corporation Bank. The project land is secured with our Company and our Company has enforced the secured assets i.e. entire project land under Section 13(2) of the SARFAESI Act. The application has been made against our Company and Elegant Infracon Private Limited, being aggrieved by the action initiated by our Company under the SARFAESI Act for the liquidation of the security created by Elegant Infracon Private Limited, of which seven units were funded by Corporation Bank. The claim amount involved is ₹ 97.5 million and the matter is currently pending.

2. A writ petition dated November 12, 2018 was filed by Jaipuria Buildcon Private Limited against our Company before Allahabad High Court under Article 226 of Constitution of India seeking order under Writ of certiorari and mandamus for seeking direction from District Magistrate, Ghaziabad for not passing an order under Section 14 of SARAFESI Act. However, order under Section 14 of SARAFESI Act has already been passed by concerned district magistrate. Hence, the writ petition before Allahabad High Court became infructuous. Our Company has initiated SARFAESI proceeding due to non-repayment of loan in relation to a loan availed by borrower. The claim amount involved is ₹ 60.17 million and the matter is currently pending for admission and yet to be listed for hearing.

3. A Securitisation Application dated February 11, 2019 has been filed by Sunstar Mercantile Company Limited ("**Borrower**") under Section 17 (1) of SARFAESI ACT against our Company before Debt Recovery Tribunal, Mumbai seeking stay on sale of the property that is mortgaged by the Borrower with our Company. Our Company has initiated SARFAESI proceedings against the Borrower due to the non-repayment of loan. However, settlement has been arrived between the parties and Borrower is paying payment as per the settlement terms. The claim amount involved is ₹ 49.42 million. The matter is currently pending for hearing.

4. An interim application no. SA(L)No 242/2019 dated December 24, 2020 has been filed by Balaji Cars Pvt Ltd. ("**Borrower**") against our Company in Securitisation Application 69 of 2019, seeking stay on the recovery proceeding initiated by our Company and seeking direction for our Company to provide all documents and notices pertaining to the SARFAESI proceedings with regard to properties i.e. Shristi Complex and Mohan Mill Compound. Our Company has

initiated SARFAESI proceeding against the borrower due to the non-repayment of loan. Matter is currently pending for hearing. The claim amount involved is ₹ 50.69 million.

5. An application bearing no. SA 69/2019 dated March 25, 2019 has been filed by Balaji Cars Pvt Ltd. ("**Borrower**") before DRT, Mumbai against our Company challenging recovery proceedings initiated by our Company against the Borrower due to non-repayment of loan under SARFAESI Act. Our Company had initiated proceedings SARFAESI Act for sale of following two secured properties that have been mortgaged with our Company by the borrower against the loans advanced (a) Shristi Complex; (b) Mohan Mill compound. The claim amount involved is ₹ 50.69 million. Matter is pending for arguments.

6. An application bearing no. 50 of 2019 dated March 28, 2019 has been filed by Balaji Cars Pvt Ltd. ("**Borrower**") before Debt Recovery Tribunal, Mumbai ("**DRT**") against our Company seeking stay on the SARFAESI Proceedings. In this matter, our Company has initiated SARFAESI proceeding and took possession of the secured assets due to the non-repayment of ₹ 80.77 million in relation to a loan availed by Borrower. Our Company is contesting the matter and the matter is pending before the DRT.

7. Yamuna Reality Private Limited ("**Borrower**") has availed loan facility from our Company for development of a project and mortgaged 15.75 acres of project land. Borrower has defaulted in repayment of loan and resultantly, the loan is classified as NPA. Thereby, our Company had initiated SARFAESI proceedings to enforce the security. Subsequently, our Company filed application before District Magistrate, Palghar for seeking actual possession of the secured property and the same was allowed by District Magistrate, Palghar. Thereafter, Borrower has filed Securitisation Application before Debt Recovery Tribunal, Mumbai ("**DRT**") to challenge the order passed by DM Palghar under Section 14 under SARAFESI Act and the same is pending for final hearing. The claim amount involved is ₹ 40.94 million. There is no stay on SARAFESI Proceeding.

8. An application no. 10/2020 was filed by Yamuna Reality ("Borrower") under Section 11 of Arbitration and Conciliation Act, 1996 before Bombay High Court, challenging the appointment of arbitrator under the arbitration proceedings initiated by our Company. the claim was filed as against the Borrower due to non-payment of outstanding dues. Currently, the petition is pending for filing of reply and hearing.

9. An application no. 12/2020 dated January 6, 2020 was filed by Yamuna Reality ("Borrower") under Section 11 of Arbitration and Conciliation Act before Bombay High Court, challenging the appointment of arbitrator under the arbitration proceedings initiated by our Company. The claim was filed as against the Borrower due to non-payment of outstanding dues. Currently, the petition is pending for filing of reply and hearing

10. A writ bearing no. WP 28162/2019 has been filed by Nemichand Dagaria ("**Borrower**") for seeking direction to the building officer, municipal corporation for restraining them to dismantle of the property. In this matter our Company is a performa respondent since the property is mortgaged with our Company to secure repayment of the loan amount and our Company has taken possession of the secured property under SARAFESI Act due to the non-repayment of loan by the Borrower. The claim amount involved is ₹ 60.53 million. This matter is pending and yet to listed for hearing.

11. An application bearing no. SA 72/2021 has been filed by Grand Infra Buildtech ("**Borrower"**) against our Company seeking stay of SARAFESI proceeding for enforcing security to recover dues payable by Borrower to our company. Our Company has initiated SARFAESI proceeding against the Borrower due to the non-repayment of loan and the claim amount involved is ₹ 40.94 million. Currently, the matter is pending for hearing.

By our Company

1. An arbitration proceeding was initiated by our Company on November 1, 2019 before a sole arbitrator at Delhi, against Rupin Hemant Banker ("**RHB**") under the provisions of the Arbitration and Conciliation Act, 1996, in relation to recovery of ₹ 106.83 million advanced towards its home loan/loan against property portfolio to RHB. The arbitration proceeding is presently under adjudication before the sole arbitrator.

2. The Writ petition bearing no. WP(LD)No. 8218 of 2021 has been filed by our Company before Bombay High Court, for seeking direction to police authority to provide support in access to the property, which was offered by Rupin Banker ("**Borrower**") as security with our Company since the concerned builder and society are restraining the officials of our Company to visit the property despite of the fact that our Company has obtained legal possession over the property under SARFAESI Act. The matter is currently pending.

3. An application bearing no. RA 44/2019 filed under Section 18 for a vacation of stay on SARFAESI proceeding obtained by Mr. Subir Chakravorty ("**Borrower**") in Debt Recovery Tribunal proceeding against our Company. Currently, the matter is listed for final arguments on June 21, 2021.

4. M/s Elegant Infracon Private Limited ("**Borrower**") has availed loan facility from our Company for development of the project namely "Elegant Splendour" with mortgage of entire project land along with unsold units. The Borrower has defaulted the repayment terms of loan facility with our Company. Due to continuous default by the Borrower. Consequently, the Loan Account classified as Non-Performing Asset ("**NPA**") and thereby our Company has been constrained to initiate recovery proceeding under SARAFAESI Act. Initially, an interim application was filed by the borrower before Debt Recovery Tribunal, whereby they challenged the SARFAESI proceedings initiated by our Company, but the interim application was dismissed and our Company has taken physical possession of the entire project. Subsequently, initiated for the sale of said project by publication (Received expression of interest and EMD amount from the prospective buyer.). Later, DRT passed adverse orders and stayed the sale proceedings. Aggrieved by the order passed by Ld. DRT our Company preferred an appeal bearing no. 89 of 2021 before the DRAT, Allahabad and obtained stay on the DRT order. Currently said appeal is pending before the DRAT. The claim amount involved is ₹ 90.75 million. The next hearing is on September 2, 2021.

(iii) Actions by statutory or regulatory authorities

Except as stated below, there are no actions initiated against our Company by statutory or regulatory authorities, as on the date of this Draft Shelf Prospectus:

1. A show cause notice was served by National Housing Bank ("**NHB**") to IIFL Home Finance Limited ("**Company**") dated January 10, 2018, that the Company had not complied with the provisions of paragraph 6 of the Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, as the NCDs issued during the financial year 2015-16 were extinguished within a period of 12 months from the date of issue.

   The Company in its reply dated January 10, 2018, submitted that the two transactions relating to extinguishment of NCDs within 12 months from the date of issue had occurred inadvertently while improving the cost of funds of the Company. The Company has not received any further communication on this matter.

2. A show cause notice was served by National Housing Bank ("**NHB**") to IIFL Home Finance Limited ("**Company**") dated July 7, 2020. The show cause notice pertained to the non-compliance with the Auditor's Report (NHB) Directions, 2016 ("**Directions**"). The notice observed that the HFC failed to include a statement on the matters as stated in HFCs-Auditors Report Directions, 2016 in the auditors' report on accounts of the Company for Financial Year 2018-19.

   The Company in its reply dated July 30, 2020, mentioned that the observation made by NHB was not found in their initial supervisory letter dated January 16, 2020. It was further submitted that pursuant to requirement of Para 2 of Housing Finance Companies- Auditor's Report (NHB) Directions, 2016, Statutory Auditors of the Company have submitted a 'separate report to the Board of Directors of the Company on the matters specified in Para 3 and 4' of the subject Directions along with the Auditors report. The Company has not received any further communication on this matter.

(iv) Tax proceedings

There are no outstanding tax proceedings involving our Company, as on the date of this Draft Shelf Prospectus

(v) Details of pending proceedings initiated against our Company for economic offences

As on the date of this Draft Shelf Prospectus, there are no proceedings initiated for economic offences against our Company.

(vi) Material regulatory proceedings against our Company

As on the date of this Draft Shelf Prospectus, there are no material regulatory proceedings initiated against our Company.

II. Default and non-payment of statutory dues by our Company

As on the date of this Draft Shelf Prospectus, there are no matters involving our Company for default and non-payment of statutory dues.

III. Material frauds committed against our Company

There are no material frauds committed against our Company in the five years preceding the date of this Draft Shelf Prospectus.

IV. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last five years immediately preceding the year of issue of prospectus in the case of company and all of its subsidiaries; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last five years immediately preceding the year of the prospectus for the company and all of its subsidiaries.

There has been no inquiry, inspection, or investigation initiated or conducted against our Company under the Companies Act, 1956 / Companies Act, 2013 in the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus.

B. Litigation involving our Promoters

I. Litigation whose outcome could have a material adverse effect on IIFL Finance

(i) Criminal proceedings

Against our Promoter

Except as stated below, there are no outstanding criminal proceedings against our Promoter, as on the date of this Draft Shelf Prospectus:

1. Manju Rajesh ("**Complainant**") filed a criminal complaint bearing number C.M.P. No. 1479/2018 dated November 30, 2018 before the Learned Judicial Magistrate First Class, Chenganoor ("**Complaint**"), against IIFL and its director Nirmal Jain under Section 190 of the CrPC levelling charges under Sections 420 and 34 of the IPC alleging cheating for not returning gold. IIFL and its director Nirmal Jain is contesting the said Complaint and Quashing petition bearing number 1 of 2018 under Section 482 of the CrPC has been filed Before the Kerala High Court at Ernakulam, wherein by an interim order dated December 3, 2018, all further proceedings in the said complaint have been stayed. The matter is pending for hearing.

2. A FIR no. 77/19 dated March 4, 2019 was lodged by Vijay Baniranka at Kothwali Police Station, Ranchi against IIFL and its employees ("**Accused**"), under Sections 420, 467, 468, 471, 409, 120(B) of the IPC, alleging inter-alia, cheating and criminal breach of trust for not returning the pledged gold. The matter is under investigation.

3. A notice of cease-and-desist dated February 19, 2019 ("**Notice**") was issued by Muthoot Finance Ltd to the employee of IIFL. By way of the receipt of Notice IIFL received knowledge of FIR no. 59/2018 dated November 11, 2018 filed with Special Cell Delhi under Section 60 of Information and Technology Act, 2000, as amended, by Muthoot Finance Ltd against the said employee. IIFL is in the process of filing quashing petition against the said FIR. As on the date of the Shelf Prospectus, IIFL has not received any further notices in connection with the FIR from the concerned Police department.

4. A FIR no. 0212 dated March, 17 2021 was registered upon the complaint filed by Arun Kumar, director of Baya Weaver Ltd. at Sector 20, Noida Police Station, Gautambudh Nagar under Sections 420, 406, 409 and 120B of IPC in Gautambudh Nagar District of UP against Mr. Nirmal Jain, Venkataraman Rajamani and others ("**Accused**") alleging that he was cheated by falsely inducing him to permit access to its project receivable as security towards redemption of debentures issued in favour of Alisa Infratech Pvt. Ltd. and further of misappropriating by unauthorized debit of a sum of ₹ 390 million from the bank account of complainant. This matter is under investigation and chargesheet has not been filed. IIFL has filed a Miscellaneous Writ Petition having case no. 3530/21 in Allahabad High Court to seek quashing of the said FIR. The Court has pronounced an order directing both the parties to resolve the dispute through an alternate dispute resolution mechanism and directing that no coercive action shall be taken against the Accused in the said FIR

By our Promoter

Except as stated below, there are no outstanding criminal proceedings by our Promoter, as on the date of this Draft Shelf Prospectus:

1. A FIR no. 147 dated October 5, 2020 was registered upon the complaint filed by Adv. Anuj Tyagi on behalf of IIFL against Amit Mavi, Arun Kumar, Director of Alisa Infratech Pvt Ltd, and Rohtash Kumar, director of Baya Weaver Ltd. under Sections 420, 406, 409 and 120B of IPC for cheating and embezzlement. The matter is under investigation.

2. IIFL filed an appeal bearing No. 3085/2019 admitted on June 24, 2019 before the PMLA Appellate Tribunal, Delhi against the order passed by the Adjudicating Authority ("**PMLA Tribunal"**). In this matter, the Enforcement Directorate has attached the property which is mortgaged with India Infoline Finance Limited and India Infoline Finance Limited challenged the before the PMLA Appellate Tribunal. In this matter, India Infoline Finance Limited initiated SARFAESI proceedings due to the alleged non-repayment of ₹13.29 million in relation to a loan availed by Arvind Casting ("**Borrower"**). India Infoline Finance Limited is contesting the matter and the matter is pending before the PMLA Appellate Tribunal, Delhi.

(ii) Material civil litigation

Against our Promoter

Except as stated below, there are no outstanding material civil proceedings against our Promoter, as on the date of this Draft Shelf Prospectus:

1. An application dated March 9, 2017 was filed by Shattaf Construction Company Pvt Ltd ("**Guarantor**") before the Debt Recovery Tribunal, at Mumbai ("**DRT**") against IIFL praying that the possession notice dated September 27, 2019, issued by IIFL in relation to the alleged default in repayment of ₹ 511.83 million by the borrower, be declared null and void. The matter is currently pending.

2. Rakesh Sheth ("**Petitioner**") had filed a public interest litigation on January 21, 2019 against SEBI, the Ministry of Corporate Affairs, Serious Fraud Investigation Office and IIFL before the High Court of Madras. The Petitioner had stated that IIFL is set to raise ₹ 20,000 million via retail bonds and since IIFL Commodities Limited (an associate company of IIFL with common shareholders and common directors) is an accused in the NSEL scam case, IIFL should not be allowed to access funds from the market. The matter is currently pending.

3. IIFL issued a demand notice dated August 25, 2016 and the possession notice dated November 16, 2016 ("**Possession Notice**") under the SARFEASI Act against the borrower, towards outstanding dues of ₹ 110.61 million with respect to a loan. Ashish Agarwal and Akhil Agarwal ("**Borrowers**") filed an application before the Debt Recovery Tribunal, Delhi ("**DRT**") challenging the action under SARFAESI. Further, Union Bank of India ("**third party**") have also filed applications before DRT to the extent of their respective units in the project against IIFL seeking the demand notice dated August 25, 2016 and the Possession Notice, be declared null and void. IIFL is contesting the matter and the matter is pending before the DRT.

4. Appeal bearing nos. 255/18, 256/18 and 257/18 filed by IIFL in the Debt Recovery Appellate Tribunal ('**DRAT'**) against Yukti E Services, Akshita, Antriksh Cold Storage, Sumeer Infotech Pvt Ltd("Respondent"), the investors in the project together with the borrower and builder M/s Jaipuria Buildcon, was disposed in favour of IIFL. Consequently, Respondents have filed three corresponding writ petitions in Delhi High Court. The matter is currently pending.

5. A writ petition dated November 12, 2018 was filed by Jaipuria Buildcon Private Limited ("**Borrower**") against IIFL before the High Court at Allahabad under Article 226 of Constitution of India seeking order under writ of mandamus against IIFL to set aside the notice dated August 25, 2016 and the possession notice dated November 16, 2016 ("**Possession Notice**"), issued by IIFL be declared null and void. However, order under Section 14 of SARAFESI Act has already been passed by concerned district magistrate. Hence, the writ petition before Allahabad High Court became infructuous. IIFL had issued the Possession Notice in accordance with the provisions of the SARFAESI Act, for the possession and sale of the property mortgaged by the Borrower, due to the alleged non-repayment of ₹ 110.61 million in relation to a loan availed, IIFL is contesting the matter and the matter is pending before the Allahabad, High Court .

By our Promoter

Except as stated below, there are no outstanding material civil proceedings by our Promoter, as on the date of this Draft Shelf Prospectus:

1. Company application nos.222/2019 to 227/2019 dated May 22, 2019 were filed by IIFL before the High Court, Bombay ("**Court**") against Shree Urban Infrastructure Limited ("**Company**") to seek leave of the Court under Section 446 of the Companies Act, 1956 to file proceedings against the Company thereby seeking specific performance of the agreement for sale of the premises. The matter is currently pending.

2. IIFL ("**Petitioner**") filed a writ petition no. 7508 of 2012 ("**Writ**") dated March 6, 2012 before the High Court of Bangalore ("**Court**") against the State of Karnataka ("**Respondent**") under Article 226 of the Constitution of India challenging the notice dated August 17, 2011 seeking to bring the Petitioner under the provisions of the Karnataka Money Lenders Act, 1961 and the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The Petitioner has submitted that the said notice is illegal and unconstitutional and violative of the Reserve Bank of India Act, 1934. The matter is currently pending.

3. Company petition has been filed by IIFL bearing no C.P. (IB) No. 229/BB/2019 on May 29, 2019 before the National Company Law Tribunal ("**NCLT**") at Bangalore, against M/s Unishire Regency Park, LLP under the provision of the IBC, due to the alleged default in repayment of ₹ 152.21 million towards a construction finance facility and for the recovery of the same. The said petition was admitted vide order dated May 25, 2020 and an interim resolution professional has been appointed by the NCLT.

4. Company appeal/ application has been filed under Section 60(5) of IBC before National Company Law Tribunal, Delhi ("**NCLT**") in original application bearing no. C.P No. IB 654(PB)/2019 filed by Vishal Fabric against AVJ Developers (India) Pvt Ltd ("**AVJ**") against interim resolution professional for seeking appropriate directions against resolution for non-verification and admission of claim against AVJ amounting to ₹ 1340.00 million and conducting the meeting of committee of creditor. The said matter is pending before the Tribunal.

5. IIFL has initiated an Insolvency Petition under Section 7 in NCLT against SPDPL and SPIL in CP 1686/2020 & CP1687/2020, the claim amounts to ₹ 1850 million and ₹ 250 million respectively, the matter is pending for hearing.

(iii) Actions by statutory or regulatory authorities

Except as disclosed in "*Material regulatory proceedings involving our Promoters*" below, there are no actions initiated against our Promoter by statutory or regulatory authorities, as on the date of this Draft Shelf Prospectus

(iv) Tax proceedings

Except as stated below, there are no outstanding tax proceedings involving our Promoter, as on the date of this Draft Shelf Prospectus:

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Service Tax	6	619.05
Total		6	619.05

Direct tax proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income Tax	7	462.62
Total		7	462.62

II. Material regulatory proceedings involving our Promoters

Except as stated below, there are no material regulatory proceedings against our Promoter, as on the date of this Draft Shelf Prospectus:

1. A direction dated July 17, 2018 was received by our Promoter from Pension Fund Regulatory and Development Authority ("**PFRDA**"), listing out the required actions to be complied with, in regard to pending amount of ₹ 0.76 million by the subscribers' deposits with our promoter as registered point of presence for National Pension Scheme as on March 31, 2018. In this regard, IIFL had initiated the required compliances and due periodical reports are being submitted to PFRDA. The compliances on the direction are under progress.

2. SEBI had issued a show-cause notice dated February 4, 2016 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ("**SEBI Regulations**") requiring our Promoter to explain the steps implemented towards redressal of investors grievances. The matter was disposed of by the adjudicating officer vide an order dated August 23, 2017 pursuant to the detailed reply submitted explaining the redressal process and requesting disposal of the proceedings.

3. An investigation was launched by SEBI due to front-running alerts generated between December 2019 and August 2020 against Santosh Brijraj Singh, amongst other parties. Santosh Brijraj Singh is an employee of IIFL Asset Management Limited. SEBI's investigation determined that Mr. Singh engaged in front-running by using non-public information to execute trades in various accounts in advance of the mutual funds and other large clients advised by IIFL Asset Management Limited in violation of SEBI regulations. Mr. Singh and other parties then withdrew monies from such personal accounts and profited off the front-running trades. SEBI determined that as a result of the aforementioned violations, Mr. Singh is now barred from the financial services industry and his bank accounts have been frozen. Further sanctions may be issued by SEBI at its discretion. Mr. Singh has additionally been placed on immediate suspension indefinitely by IIFL, pending formal investigation.

III. Litigation or legal action pending or taken by the Government or statutory authority

Except as disclosed in "*Material regulatory proceedings involving our Promoters*", as on the date of this Draft Shelf Prospectus, there is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory body / authority against our Promoter during the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus

C. Litigation involving our Directors

I. Litigation whose outcome could have a material adverse effect on our Company

(i) Criminal proceedings

Against our Directors

(i) A FIR dated February 3, 2008, was lodged by Namo Jain at Lalkurti Police Station, Meerut, against our director Nirmal Bhanwarlal Jain and two other ex-employees of IIFL Securities Limited (formerly known as India Infoline Limited) ("**Accused Persons**"), under Sections 406 and 420 of the IPC, alleging inter-alia, cheating and criminal breach of trust by unauthorised trading in the account. The matter was investigated by the police and a charge sheet was filed before the Chief Judicial Magistrate, Meerut against all the persons named as the accused in the FIR. Subsequently, a writ petition was filed by the Accused Persons, before the Allahabad High Court, for quashing of the charge sheet. The Allahabad High Court directed the Accused Persons to file a discharge application before the Chief Judicial Magistrate, Meerut. Accordingly, a discharge application was filed by the Accused Persons. The case is presently pending before Chief Judicial Magistrate, Meerut for hearing.

(ii) A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against our director Nirmal Bhanwarlal Jain and ex-employees of ISL ("**Accused Persons**") under Sections 406, 420 and 464 of the IPC, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the Complaint, the Chief Judicial Magistrate, passed an order for issuance of process on July 25, 2011. The Accused Persons filed a petition before the Allahabad High Court on April 7, 2014 ("**Petition**") for quashing the aforesaid order of the Chief Judicial Magistrate. The Allahabad High Court vide its order dated April 22, 2014 admitted the Petition and stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

(iii) Anil Kumar Tibrewal lodged a FIR dated October 24, 2010 ("**FIR**") at Sunlight Colony, South East District, Delhi against our directors, Nirmal Bhanwarlal Jain and Venkataraman Rajamani for the offences of cheating, forgery and conspiracy, under Sections 420, 464 along with 120B of the IPC. The FIR is placed before Delhi District Court, Saket, New Delhi and is currently under investigation.

(iv) A complaint dated October 18, 2013 was filed by Gouri Manjunath Jonniya before Chief Judicial Magistrate, Nagpur, against our directors Nirmal Bhanwarlal Jain and Venkataraman Rajamani ("**Accused Persons**"), for offence of, *inter alia*, cheating, forgery, criminal breach of trust and misuse of her insurance license under Sections 406, 420 and 464 of the IPC. The Chief Judicial Magistrate, Nagpur passed an order of issuance of process on January 31, 2014. Aggrieved by the order of the Chief Judicial Magistrate, Nagpur, the Accused Persons filed a revision application before the Sessions Court, Nagpur on April 4, 2014 for quashing and setting aside the order of issuance of process. The Sessions Court, Nagpur vide its order dated June 6, 2014 admitted the revision application and stayed the proceedings before the Chief Judicial Magistrate, Nagpur. The case is presently pending before the Sessions Court, Nagpur for hearing.

(v) A complaint was received by ISL on December 9, 2012 filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against our directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and Nilesh Vikamsey ("**Accused Persons**") under Sections 406 and 120B of the IPC, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. The Accused Persons filed a writ petition dated April 10, 2015 before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The matter is presently pending before the Calcutta High Court for further hearing.

(vi) A FIR dated October 10, 2015 was lodged by Dalip Kumar Garg at Vasant Vihar Police Station, Delhi against IICL and Nirmal Jain and others, under Sections 406, 420 and 120B of the IPC, alleging inter-alia, unauthorised trading, cheating, forgery and criminal breach of trust. The matter is presently being investigated by the police. An application was filed before the Sessions Court for grant of anticipatory bail and the same was granted by the court ("**Order**"). The matter is currently pending.

(vii) Manju Rajesh ("**Complainant**") filed a criminal complaint bearing number C.M.P. No. 1479/2018 dated November, 30 2018 before the Learned Judicial Magistrate First Class, Chenganoor ("**Complaint**"), against IIFL and its director Nirmal Jain under Section 190 of the CrPC levelling charges under Sections 420 and 34 of the IPC alleging cheating for not returning gold. IIFL and its director Nirmal Jain is contesting the said Complaint and Quashing petition bearing no. 1 of 2018 under Section 482 of the CrPC has been filed before the Kerala High Court at Ernakulam, wherein by an interim order dated December 3, 2018, all further proceedings in the said complaint have been stayed. The matter is currently pending for hearing.

(viii) A FIR no. 0143 dated August 2, 2019 was filed by Vinay Jain (Complainant) before economic offences wing, Delhi against Nirmal Bhanwarlal Jain, Venkataraman Rajamani and other persons ("**Accused**") under Sections 420, 465, 468, 471 and 120B of the IPC. The matter is under investigation and chargesheet is pending.

By our Directors

As on the date of this Draft Shelf Prospectus, there are no proceedings initiated by our Director

(i) Material civil litigation

Against our Directors

(i) A commercial suit admitted on January 19, 2017 was filed by Harish Thawani a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against India Infoline Commodities Limited ("**IICL**") its directors and ISL, IIFL Holdings Limited (now IIFL Finance Limited), and its directors, including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. IICL filed its written statement before the Court and the matter is pending for hearing. The litigation includes Nirmal Jain, Arun Purwar and Nilesh Vikamsay and the claim is valued at ₹ 168.10 million.

(ii) A commercial suit dated July 19, 2016 was filed by Vishvanidhi Dalmia, a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against India Infoline Commodities Limited ("**IICL**"), its directors, employees including the chairman of IIFL Holdings Limited (now IIFL Finance Limited) and NSEL, claiming (a) an amount of ₹ 76 million along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹ 37.85 million and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. It was also prayed for interim/ad-interim relief (b) pending hearing and final disposal appropriate orders for injunction restraining IICL from directly or indirectly assign, selling, mortgage, creating any third party on movable and immovable assets (c) injunction restraining IICL from using ₹113.85 million without the leave of the court (d) independent audit or investigating agency like forensic audit to examine the affairs of IICL (e) order and direction to IICL to pay any amount realized from NSEL and to preserve all the records of the relevant period. Further, Nirmal Jain is also an interested party and the total amount involved in the matter is ₹113.85 million. IICL received the summons on September 12, 2018. The matter is yet to be admitted.

By our Directors

As on the date of this Draft Shelf Prospectus, there are no material litigation proceedings initiated by our Director

(ii) Actions by statutory or regulatory authorities

There are no actions initiated against our Directors by statutory or regulatory authorities, as on the date of this Draft Shelf Prospectus

(iii) Tax proceedings

There are no outstanding tax proceedings involving our Directors, as on the date of this Draft Shelf Prospectus

D. Litigation involving our Group Companies

(a) *5Paisa Capital Limited ("5Paisa")*

Legal action taken by statutory or regulatory authorities against 5Paisa

1. With respect to NSE regular inspection conducted in February 2019 for the period 2018-19, a penalty of ₹ 1,60,000 was levied on 5Paisa for the observations pertaining to non-settlement of client funds and securities, non-maintenance of register of securities in the prescribed format, co-mingling of collateral stocks and funded stocks made during the course of said inspection. The penalty in connection with the said observations has been paid by 5Paisa.

2. A penalty of ₹ 200,000 was levied on 5Paisa by NSE for non-upload of Client Funds & Securities Balances for the month of March 2019. The penalty in connection with the same has been paid by 5Paisa.

3. A penalty of ₹ 80,000 was levied on 5Paisa by BSE for delay in upload of holding statement for the month of December 2019. The penalty in connection with the same has been paid by 5Paisa.

4. A penalty of ₹ 50,000 was levied on the company by NSE for release of advertisement without seeking approval of the Exchange. The penalty in connection with the same has been paid by 5Paisa.

5. A penalty of ₹ 3,600 was levied on the company by NSE and BSE for delay in submission of Half Yearly Networth Certificate.

6. A penalty of ₹ 1,500 was levied on the company by NSE for delay in submission of Weekly Client Fund Monitoring.

7. A penalty of ₹ 11,000 was levied on the company by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2020.

8. A penalty of ₹ 17,500 was levied on the company by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

9. With respect to SEBI inspection conducted jointly with BSE, NSE, MCX and CDSL in June 2019 for the period April 1, 2018 to May 31, 2019, a penalty of ₹ 1,362,791 was levied on 5paisa Capital Limited for the observations pertaining to handling of client's funds and securities, Client Funding, Client Registration Process, Analysis of Enhanced Supervision Data made during the course of said inspection. The penalty in connection with the said observations has been paid by 5paisa Capital Limited.

(b) Samasta Microfinance Limited (Samasta)

Criminal Proceedings by Samasta

1. A complaint dated December 11, 2013 was filed by Ayusha Dairy Private Limited ("**Complainant/Amalgamated with Samasta**") before the Judicial Magistrate, Coimbatore against Sabari Dairy Private Limited ("**Accused**") under the Section 138 of the NI Act for dishonor of cheques. The claim amount involved is ₹ 2.5 million. The Judicial Magistrate, Coimbatore, directed the case to be transferred to Judicial Magistrate, Udumalpet, as the cheques which were dishonored were initially presented at Udumalpet. The parties mutually agreed that the Accused will pay ₹ 2.30 million

to Ayusha Dairy Private Limited, however Ayusha Dairy Private Limited has only received ₹ 1.08 until the date of this Letter of Offer. The matter is pending before the Judicial Magistrate, Udumalpet for hearing.

(c) *IIFL Commodities Limited ("IICL") (Formerly India Infoline Commodities Limited)*

Civil Proceedings against IICL

1. A commercial suit admitted on January 19, 2017 was filed by Harish Thawani, a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against India Infoline Commodities Limited ("**IICL**") its directors and ISL, IIFL Holdings Limited (now IIFL Finance Limited), and its directors, including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. IICL filed its written statement before the Court and the matter is pending for hearing. The claim is valued at ₹ 168.10 million.

2. A commercial suit dated July 19, 2016 was filed by Vishvanidhi Dalmia ("**Plaintiff**"), a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against IICL, its directors, employees including the chairman of IIFL Holdings Limited (now IIFL Finance Limited) and NSEL, claiming an amount of ₹76 million along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹ 37.85 million and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. The Plaintiff also prayed for interim/ad-interim relief pending hearing and final disposal of the suit (a) restraining IICL from directly or indirectly assigning, selling, mortgaging, creating any third party on its movable and immovable assets, (b) restraining IICL from using ₹ 113.85 million without the leave of the Court (c) conducting independent / forensic audit through an investigating agency to examine the affairs of IICL (d) IICL to pay any amount realized from NSEL and (e) to preserve all the records of the relevant period. The total amount involved in the matter is ₹ 113.85 million. IICL received the summons on September 12, 2018. The matter is yet to be admitted by the Court.

Criminal Proceedings against IICL

1. A complaint dated September 30, 2013 ("**Complaint**") was lodged by Pankaj Saraf, an investor in National Spot Exchange Limited ("**NSEL**"), at the MRA Marg Police Station Mumbai against NSEL and other brokers, including IICL, alleging inter-alia, criminal conspiracy, fraud and criminal breach of trust, under Sections 406, 420 and 120B of the IPC. Basis the Complaint, the economic offences wing Mumbai ("**EOW**"), lodged a FIR against the Accused ("**FIR**"). IICL provided all the required details and documents and also personally appeared before the EOW and clarified its position in the matter. In connection with the FIR, one of the directors of IICL, Chintan Modi, was arrested by EOW in March 2015 and was subsequently released on bail by the court established under Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999. EOW has filed chargesheet against 63 individuals and companies, including IICL. Mr. Chintan Modi, Director was served with Summons. As directed, Mr. Chintan Modi appeared before the MPID court on April 26, 2019 when his presence was marked and a copy of the Charge sheet was handed over by the Court. The matter is pending for hearing.

2. A FIR dated October 24, 2010 ("**FIR**") was registered by Anil Kumar Tibrewal at Sunlight Colony, South East District, Delhi against IICL for the offences of cheating, forgery and conspiracy under Sections 420, 464 and 120B of the IPC. The FIR is placed before Delhi District Court, Saket, New Delhi, and is currently under investigation.

3. A show cause notice dated January 6, 2017 was received by IICL from the Serious Fraud Investigation Office ("**SFIO**"), Mumbai, seeking various details and documents with respect to certain transactions which IICL carried out in National Spot Exchange Limited ("**NSEL**"). A detailed reply dated January 30, 2017 was submitted with the SFIO, along with all the supporting documents. Further, SFIO issued a notice dated February 24, 2017, addressed to the directors of the IICL for personal appearance before the additional director, SFIO. Chintan Modi, one of the directors of IICL, appeared and provided the requisite details, clarifications and documents as sought by the SFIO. No further communication was received from SFIO.

4. A summons ("**Summons**") was received by IICL from the Enforcement Directorate ("**ED**") in relation to the on-going probe in matter concerning NSEL. The matter relates to NSEL default in payouts to its clients in the year 2013 where IICL was the member of National Spot Exchange Limited ("**NSEL**") in the relevant period. The Summons sought personal appearance of the directors of IICL, on July 16, 2016 before the ED. Prasanth Prabhakaran and Chintan Modi, directors of IICL, appeared before the ED and provided the necessary explanation and details, as sought by the ED. Further, the ED sought certain additional details and documents from IICL and the same were duly submitted to the ED. Fresh summons dated May 7, 2019 were received from the ED seeking certain details and also the personal appearance of the director, Mr. Chintan Modi on May 15, 2019. Mr. Chintan Modi appeared before the ED on May 15,

2019 and submitted the required details and documents. No further communication has been received. No further communication has been received from ED.

5. A FIR dated July 7, 2015 ("**FIR**") was lodged by Sumita Kalra at the Moti Nagar Police Station, Delhi against IICL, under Sections 406 and 464 of the IPC, alleging inter-alia, unauthorised trading, forgery and criminal breach of trust. The FIR is being investigated by the police.

6. A FIR dated October 10, 2015 was lodged by Dalip Kumar Garg at Vasant Vihar Police Station, Delhi against IICL and Nirmal Jain and others, under Sections 406, 420 and 120B of the IPC, alleging inter-alia, unauthorised trading, cheating, forgery and criminal breach of trust. The matter is presently being investigated by the police. An application was filed before the Sessions Court for grant of anticipatory bail and the same was granted by the court ("**Order**"). Against the Order, the complainant has preferred an appeal before the Delhi High Court and matter is pending at the stage of issuance of notice.

Other material pending litigation

1. A demand notice dated September 1, 2014 was received by IICL from the Rajasthan Stamp Office, demanding payment of stamp duty, for the period commencing from September 2007 to March 2012 in relation to the trades carried out by IICL's clients ("**Clients**"), residing in the state of Rajasthan. IICL, vide its reply dated June 21, 2015, stated that the stamp duty with respect to the trades, was paid to state of Maharashtra until 2011, as the central office of IICL was located in Mumbai. Subsequently, the central office was shifted to the state of Tamil Nadu wherein no stamp duty was levied. Hence, the same was not levied and collected from the Client. The contract notes for the above period were issued to the Clients from both, the Mumbai and Chennai offices. Aggrieved by the demand notice, IICL filed a writ petition dated December 30, 2015 before Rajasthan High Court, requesting it to quash the demand notice. The matter has not been listed and is pending.

Pending actions by statutory or regulatory authorities against IICL

1. A show-cause notice dated October 28, 2016 was received by IICL from designated authority, SEBI ("**DA SEBI**"), under Regulation 25(1) of the SEBI (Intermediaries) Regulations, 2008 and SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 in the matter of National Spot Exchange Limited payout default. A detailed reply was filed by IICL, along with supporting documents on November 25, 2016. Subsequently, IICL received a fresh show because notice dated April 25, 2017, from DA SEBI under Regulation 28(1) r/w Regulation 7(2) of the SEBI (Intermediaries) Regulations, 2008, along with a copy of the enquiry report, seeking IICL's reply and clarification. IICL sought inspection of the documents and appeared in personal hearings held on January 24, 2018 and February 7, 2018 before the whole-time member, SEBI ("**WTM SEBI**"). Further, subject to receipt of pending documents sought for inspection, IICL submitted its detailed reply along with all the supporting documents with WTM SEBI on June 18, 2018. WTM SEBI passed an interim order dated August 30, 2018 in this matter ("**WTM Order**") and directed IICL to submit any additional written submissions within 2 weeks from the date of order and appear for personal hearing on September 27, 2018 before WTM SEBI. Pending hearing before WTM SEBI, IICL vide its letter dated September 17, 2018 applied for withdrawal of its application for registration with the stock exchanges as well as SEBI. SEBI vide its letter dated September 4, 2018 and the stock exchanges vide their emails informed IICL that pending enquiry/SCN, the application for withdrawal of the registration application cannot be entertained. IICL preferred a writ petition before the Bombay High Court against the said letter dated September 4, 2018 issued by SEBI and the WTM Order. The Writ Petition was rejected by the High Court vide its order dated October 4, 2018. Subsequent thereto, the matter was heard by WTM SEBI on October 11, 2018 and October 24, 2018 whereat written and oral submissions were made by IICL. IICL has filed additional written submissions with the WTM SEBI on November 6, 2018. IICL has filed the consent application before SEBI on December 31, 2018. IICL received the second show because notice dated December 27, 2018 from SEBI. IICL submitted its reply alongwith all the supporting documents with SEBI vide its letter dated January 23, 2019. IICL filed a consent application with SEBI on December 31, 2018 under the SEBI (Settlement of Administrative & Civil Proceedings) Regulation 2017. The said Application was returned by SEBI. Further, SEBI vide its order dated February 22, 2019, has declared IICL as "not a fit and proper person" to hold directly or indirectly, the certificate of registration as a commodity derivatives broker and has rejected the application dated December 23, 2015 filed by IICL for registration as commodity derivatives Broker. IICL has preferred an appeal against the said Order before Securities Appellate Tribunal on April 11, 2019 and SEBI filed its reply to the appeal and a rejoinder was thereafter filed by IIFL Commodities Limited on October 14, 2019. The appeal is scheduled for hearing on August 27, 2020. On June 20, 2019, an Intervening Application was filed by NSEL before SAT and the same was admitted by SAT on November 11, 2019. NSEL had also filed an appeal before SAT, inter-alia praying for expunging certain remarks made by SEBI against NSEL, in the aforesaid SEBI order against the broker The tribunal after hearing NSEL and the Brokers dismissed the said appeal filed by NSEL. NSEL preferred an appeal before the Supreme Court challenging the SAT

Order and the S.C. directed issue of notice to the respondents and stayed further proceedings in the cross appeals pending before the SAT. IIFL Commodities Limited filed its affidavit in reply and the Supreme Court heard the matter and condoned the delay in preferring an appeal by NSEL. Pursuant to which, NSEL Appeal is clubbed with our Appeal before the SAT. The Tribunal directed IICL and other Brokers to file its reply to NSEL Appeal. Our reply is submitted. The matter is pending for hearing.

2. Multi Commodity Exchange ("**MCX**") vide its letter dated October 23, 2019 has alleged violation of exchange bye-laws and business rules on account of alleged discrepancies in the reporting to MCX for the F.Y. 2016-17 and has levied a penalty of ₹ 6.23 million. IICL has challenged the penalty levied by MCX before Securities Appellate Tribunal ("**SAT**") by way of an appeal dated December 9, 2019 ("**Appeal**"). Matter is currently pending for hearing.

3. Multi Commodity Exchange ("**MCX**") vide its letter dated October 24, 2019 has alleged violation of exchange bye-laws and business rules on account of alleged discrepancies in the reporting to MCX for the F.Y. 2017-18 and has levied a penalty of ₹ 0.69 million. IICL has challenged the penalty levied by MCX before Securities Appellate Tribunal ("**SAT**") by way of an appeal dated December 9, 2019 ("**Appeal**"). Matter is currently pending for hearing.

(d) IIFL Securities Limited ("ISL") (Formerly India Infoline Limited)

Civil Proceedings against ISL

4. An arbitration application dated August 25, 2015 was filed by Central Business Services Limited ("**CBSL**") along with Jain Industrial & Commercial Services Private Limited ("**JICSL**") (collectively, "**Claimants**") before a private arbitration tribunal ("**Tribunal**") against ISL. A consolidated statement of claim ("**Claims**") for an amount of ₹260 million along with interest thereon was filed before the Tribunal. A statement of defense was filed by ISL along with preliminary objections on the maintainability of the claim filed by JICSL and on the clubbing of Claims filed by the Claimants. The Tribunal dismissed the preliminary objections filed by ISL. The Claimants filed a rejoinder and an affidavit of evidence. The pleadings in the matter are completed. The hearing of the matter concluded on March 26, 2018 and the claim is valued at approximately ₹ 260 million. An award dated October 3, 2018 ("**Award**") was received partly in favour of ISL and partly in favour of CBSL. ISL is in the process of filing of an execution petition in respect of the net receivable of ₹ 3.2 million and application for the return of the amount held in escrow. CBSL has filed an Arbitration Application under Section 34 of the Arbitration and Conciliation Act, 1996 before the Calcutta High Court challenging the Award. ISL is in the process of filing its reply. The matter is currently pending.

Civil proceedings by ISL

1) An application under Section 9 of the Arbitration and Conciliation Act, 1996 dated February 13, 2019 was filed by ISL before the Bombay High Court ("**Court**") against Harshad Thakkar, claiming an amount of ₹ 302,949,793 for defaulting in the payment of outstanding dues. The Court was pleased to allow the application and issued an interim order. The Court issued an order of injunction on the pledged shares and also attachment order on all the properties disclosed in income tax returns. The Court has directed issue of notice to the respondent and publication of notice. The matter is currently pending.

Criminal proceedings against ISL

1) A summons received by ISL on November 24, 2008 ("**Complaint**") was filed by GHCL Employees Stock Option Trust ("**GHCL ESOP Trust**") under the IPC, before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi ("**Lower Court**") against ISL. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ISL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ISL informed the GHCL ESOP Trust of its outstanding debit of ₹104.80 million and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 104.80 million had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹102.28 million; and (b) alleged that ISL instead of refunding the difference amount of ₹2.52 million asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ISL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. A summons order dated September 27, 2008 ("**summons order**") was passed by the Lower Court, summoning ISL to face trial for the offences under the provisions of the IPC. ISL filed a petition in the Delhi High Court ("**Petition**") on March 22, 2009 challenging the Summons order. The Delhi High Court by its order dated December 14, 2009 quashed and set aside the Complaint and the summons order as against ISL. GHCL ESOP Trust filed an Appeal before the Supreme Court against the order of the Delhi High Court on March 11, 2010. By its order dated March 22, 2013, the Supreme Court confirmed the order of the Delhi High Court and held that no offence of cheating is made out against ISL and the matter is presently pending before the Lower Court against ISL.

2) A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against ISL under Sections 406, 420 and 464 of the IPC, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the complaint, the Court, passed an order for issuance of process on July 25, 2011. ISL filed a Petition before the Allahabad High Court on April 7, 2014 ("**Petition**") for quashing the order of the Court. The petition was admitted and the Allahabad High Court vide its order dated April 22, 2014 stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

3) A FIR dated October 12, 2012 ("**FIR**") was lodged by Mohinder Singh ("**Complainant**") at the Moti Nagar Police Station, New Delhi against ISL under Sections 420 and 120B of the IPC, alleging unauthorised trading and cheating. A notice was received from the police directing ISL to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the police.

4) A FIR bearing number 76/2015 ("**FIR**") was lodged by Mohit Gujral ("**Complainant**") at the Economic Offences Wing ("**EOW**"), New Delhi against ISL under Sections 405, 120B, 420 and 120B of the IPC, alleging unauthorised trading, cheating and criminal breach of trust. A notice was received from the EOW to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the EOW.

5) A FIR dated March 19, 2014 was lodged by Devender Mohan Singh Negi ("**Complainant**") at the Moti Nagar Police Station, New Delhi, against ISL, under Sections 420, 468, 471, 406, 34 and 120B of the IPC, alleging unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police directing ISL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided by ISL. No further communication received from the police.

6) A FIR dated May 20, 2014 was lodged by Renu Jain ("**Complainant**") at the Moti Nagar Police Station, New Delhi, against ISL under Sections 406, 420 and 468 of the IPC for unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police in respect of the FIR directing ISL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided. No further communication received from the police.

7) A Complaint received by ISL on December 9, 2012 was filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against IIFL, ISL, its directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and others under Sections 406 and 120B of the IPC, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. ISL filed a writ petition dated April 10, 2015 ("**Petition**") before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The matter is presently pending before the Calcutta High Court for further hearing.

8) A complaint dated November 23, 2011 was filed by Seema Bulsara ("**Complainant**") with the Economic Offence Wing ("**EOW**"), Mumbai, and the FIR was lodged against Mukti Laheri and 'unknown officials' of ISL, alleging unauthorized trading. A charge sheet was filed by the EOW, Mumbai before the 19th Court, Esplanade, Mumbai against Mukti Laheri and Manish Kumar, an ex-employee of ISL. Further, a supplementary charge sheet ("**Supplementary Charge Sheet**") was filed by EOW, Mumbai against ISL on April 17, 2015. The matter is presently pending before the 19th Court, Esplanade, Mumbai for hearing and for taking on record the Supplementary Charge Sheet.

9) A criminal complaint dated May 25, 2013 was filed by Ravindra Kumar Thakur before Chief Judicial Magistrate, Bhagalpur, Bihar against ISL and others, alleging, inter alia, criminal breach of trust, cheating and forgery under Sections 406, 417, 420, 467, 468 & 471 of IPC. A summons dated May 4, 2019 was received by ISL on May 8, 2019. The matter is currently pending.

Criminal proceedings by ISL

1) A complaint dated March 7, 2008 was filed by ISL before the Metropolitan Magistrate's Court, Tis Hazari, Delhi, against Kuldeep Singh and Surender Kumar, Ex-employees, for theft and criminal conspiracy under Sections 120A and 379 of IPC. The matter is presently pending for hearing before the said court.

2) A complaint dated February 25, 2013 was filed by ISL before Chief Judicial Magistrate Court, Pune against Devdutt Musale a former employee of ISL, for, the offences of criminal breach of trust, cheating and forgery. The matter is presently pending for evidence.

3) A criminal revision dated December 22, 2016 was filed by ISL before the District and Sessions Court, Hisar, against Tarun Malhotra for restoration of the complaint filed by ISL for offence of, cheating, criminal breach of trust and also for offences punishable under the provisions of the Information Technology Act, 2000. The matter is presently pending for hearing.

4) A complaint dated November 2, 2007 was filed by ISL before the Metropolitan Magistrate Court, Ahmedabad against Ragvendra Singh (former employee), Harsh Dinesh Kaushik (former employee) for offences of, cheating and criminal breach of trust for carrying out unauthorized trading in a client account. The matter is presently pending for hearing before the said court.

5) A complaint was filed by ISL before Police Station PS Kotwali, Bharatpur, Rajasthan against Mukesh Kuntal ("**Accused**") for the offences of, cheating, forgery and theft. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

6) A complaint was filed by ISL before Civil Line Police Station, Amritsar against Pankaj Ohri ("**Accused**") for the offences of, cheating, forgery and theft. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

7) A complaint dated May 20, 2011 was filed by ISL before Gautam Buddha Nagar Police Station, Uttar Pradesh against Mohd. Tariq ("**Accused"**) for the offences of cheating and forgery of documents. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

8) A complaint dated December 23, 2015 was filed by ISL before Kothrud Police Station, Pune against Ashpak Hamid Sayyad, Rakesh Natwarlal Solanki, Kalpesh Kantilal Waghela, Prabhat Bhura Patel, ex- employees of ISL ("**Accused"**) for the offence of cheating and forgery of documents. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

Cases filed by ISL under Section 138 of the Negotiable Instruments Act, 1881

1) ISL has filed 17 proceedings against defaulting customers under Section 138 of the NI Act for dishonour of cheques, in various courts. The aggregate of claim amounts filed by ISL are approximately ₹ 431.46 million. The matters are pending before various courts at various stages of adjudication.

Other material pending litigation involving ISL

1) A demand notice dated June 5, 2014 ("**Notice**") was received by ISL from the Rajasthan Stamp Office, demanding payment of stamp duty for the period commencing from September 2007 to March 2012, in relation to the trades carried out by ISL's clients residing in the state of Rajasthan. ISL, through its reply dated June 21, 2014, stated that the stamp duty with respect to the trades was paid to the State of Maharashtra as the central office of ISL is located in Mumbai and contract notes were issued to the clients from the Mumbai office. Aggrieved by the notice, ISL filed a writ petition before Rajasthan High Court on in April 25, 2015, requesting it to quash the notice. The matter has not been listed and is presently pending before the Rajasthan High Court.

2) IIFL ("**Petitioner**") filed a writ petition numbered 1650 of 2012 ("**Writ**") dated January 27, 2012 before the Madhya Pradesh High Court against the State of Madhya Pradesh ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the demand notice dated December 1, 2012 issued by the State of Madhya Pradesh seeking to levy stamp duty on the transactions done by the clients of the Petitioner through their trading accounts. The contention raised by the Petition is that unless there is a provision made under the relevant act, no demand for payment of stamp duty in such transaction can be made. The Madhya Pradesh High Court passed an order dated February 10, 2012 directing that no coercive steps be taken against the petitioner till further consideration of the interim prayer. The matter is currently pending.

Legal action taken by statutory or regulatory authorities against ISL

A. A notice dated May 2, 2017 was received by ISL from SEBI, basis an inspection conducted by SEBI during the period between January 30, 2014 and February 3, 2014 covering period from 2011 to 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. ISL had applied for the inspection of documents, which were relied upon by SEBI, in relation to issuance of the enquiry notice. Upon the receiving such documents, ISL submitted reply to SEBI notice providing clarification with supporting documents and highlighting the corrective measures adopted and implemented including compliance with circulars issued by SEBI on enhanced risk based supervision. During the period of three years beginning the date of conclusion of the onsite inspection, three supplementary reports were issued in this matter. Suitable replies were filed by ISL to the reports. IIFL filed a Consent Application on May 30, 2019 under SEBI Settlement Regulation 2018. Further, additional consent terms filed with SEBI. Matter is pending with SEBI.

B. SEBI had issued an adjudication show case notice dated April 9, 2019 under Rule 4 of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ("**SEBI SCN**") read with Section 15I of the Securities and Exchange Board of India Act, 1992 in the matter of Atul Saroagi in the script of Saint Gobain Sekurit Limited. It was alleged that Atul Saroagi was trading through the account of Ms. Vimala Devi Kalantri and the said client informed orally over a call to accept communications from Shri Atul Saroagi without any supporting document in this regard and ISL had failed in exercising due skill, care and diligence in the conduct of its business which is allegedly in violations of Clause A(2) of the Code of Conduct for Stock Broker ISL filed a reply to SEBI on May 20, 2019 and SEBI concluded the matter vide its order dated July 31, 2019 and imposed the penalty of ₹ 0.30 million on ISL. ISL filed an appeal with SAT against the SEBI order dated July 31, 2019 levying penalty of ₹ 0.30 million and SEBI has initiated Attachment Proceedings and issued the attachment order for recovery of penalty on October 16, 2020. The Company has paid the penalty under protest on October 16, 2020. Further, SEBI released the attachment vide order dated October 17, 2020 and currently the Matter is pending in SAT.

C. SEBI had issued an adjudication show case notice dated December 5, 2019 under Rule 4 of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ("**SEBI SCN**") read with Section 15I of the Securities and Exchange Board of India Act, 1992 in the matter of Vimala Devi Kalantri dealing in the scrip of Pantaloons Retails (India) Limited. It was alleged that Atul Saroagi was trading through the account of Ms. Vimala Devi Kalantri and the said client informed orally over a call to accept communications from Shri Atul Saroagi without any supporting document in this regard and ISL had failed in exercising due skill, care and diligence in the conduct of its business which is allegedly in violations of Clause A(2) of the Code of Conduct for Stock Broker ISL filed a reply dated February 13, 2020 in connection with the show cause notice and the matter is currently pending with SEBI.

D. SEBI issued an adjudication show case notice dated April 16, 2021 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of Alkem Laboratories Ltd. SEBI conducted an examination of block deals to check any manipulation of reference price considered for execution of block deal trades in the scrip of Alkem Laboratories Ltd during the period April 1, 2019 to September 30, 2019 to examine the violation of SEBI Act, 1992, Rules and Regulations, if any. It was alleged that ISL has knowingly manipulated the reference price of Alkem for block deal during the afternoon window i.e. VWAP price for the period 13:45 to 14:00 hrs on August 22, 2019 and thereby violating provision of SEBI Act, 1992 and regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market Regulations), 2003 and provisions of Code of Conduct prescribed under Schedule II read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992. ISL is in discussion with Lawyers for preparation of reply and/or filing consent application.

(e) IIFL Insurance Brokers Limited ("IIIBL") (Formerly IIFL Insurance Brokers Limited)

Criminal proceedings against IIIBL

1. A FIR bearing no. 25/2015 dated September 16, 2015 ("**FIR**") was lodged by Ravindra Nath Gangele at the Cyber and Hi-Tech Crime Police Station, Bhopal, against IIIBL alleging mis-selling of insurance. IIIBL has replied to the notice and requisition received from the police in connection with the FIR and no further communication has been received.

Legal action taken by statutory or regulatory authorities against IIIBL

A. Insurance Regulatory Development Authority ("**IRDA**") issued a show cause notice dated February 26, 2019 stating their observations of inspection on insurance broking business during the period of 2014-15 and 2015-16. A detailed reply was issued to IRDA with the compliances submitted vide a letter dated April 8, 2019. IRDA concluded the proceedings vide order dated November 27, 2019 and imposed penalty of ₹ 20.40 million. IIIBL has filed an appeal with SAT against the IRDA order dated November 27, 2019 and currently the matter is pending in SAT and the next date of hearing is September 2, 2020.

(f) IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited) ("IFSL")

Cases filed by IFSL under Section 138 of the Negotiable Instruments Act, 1881

1. IFSL has filed three proceedings against defaulting vendors under Section 138 of the NI Act, for dishonour of cheques in various courts. The aggregate of claim amounts filed by IFSL is approximately ₹ 7.5 million. The matters are pending before the courts for adjudication.

(g) IIFL Management Services Limited ("IMSL")

Civil Proceeding by IMSL

(i) Company Application nos.171/2019 & 173/2019 dated April 9, 2019 was filed by IMSL before the Bombay High Court ("**Court**") against Shree Urban Infrastructure Limited to seek leave of this Hon'ble Court under Section 446 of the Companies Act, 1956 to file proceedings against Shree Ram Urban Infrastructure Limited, before the Court thereby seeking specific performance of the Agreement for sale of the premises. The matter is currently pending.
Criminal proceedings against IMSL

1. A complaint dated October 18, 2013 was filed by Gouri Manjunath Jonniya before Chief Judicial Magistrate, Nagpur, against IMSL and its directors, Nirmal Bhanwarlal Jain and Venkataraman Rajamani, alleging, inter alia, cheating, forgery, criminal breach of trust and misuse of her insurance license under Sections 406, 420 and 464 of the IPC. The Chief Judicial Magistrate, Nagpur passed an order of issuance of process on January 31, 2014. Aggrieved by the order of the Chief Judicial Magistrate, Nagpur, IMSL filed a revision application before the Sessions Court, Nagpur on April 4, 2014 for quashing and setting aside the order of issuance of process. The Sessions Court, Nagpur vide its order dated June 6, 2014 admitted the revision application and stayed the proceedings before the Chief Judicial Magistrate, Nagpur. The case is presently pending before the Sessions Court, Nagpur for hearing.

(h) IIFL Wealth (UK) Limited ("IIFL UK")

Civil Proceedings against IIFL (UK) Ltd

1. A civil suit has been filed before the High Court of Justice, Business and Property courts of England and Wales, Queens Bench division, Commercial Court ("Court") against IIFL UK, Ramu Ramasamy, Palaniyapan Ramasamy and Amit Shah (collectively, the "Defendants") by Prashant Hasmukh Manek, Sanjay Chandi and EAGM Ventures (India) Private Limited ("Claimants"). The Claimants claim that they had agreed to sell their shares in Hermes i-Tickets Private Limited to Great Indian Retail Private Limited as a result of certain representations purportedly made by the Defendants. IIFL UK and Amit Shah filed a joint statement of defence with the Court and also responded to Claimants' request for further information. In June 2018, the Claimants filed their reply to the joint statement of defence with the Court. The claim amount in the matter is € 26.53 million, in addition to such further sums that are to be assessed in respect of consequential losses relating to the earn out consideration. Ramu Ramasamy & Palaniyapan Ramasamy vide their application dated April 25, 2019 to the UK Court, challenged the jurisdiction of the UK Court. Ramu and Palaniyapan have been successful on the jurisdictional grounds, the case has been dismissed against them and their claim was intera alia on basis that claim against IIFL UK is unsound. The Claimants have preferred an appeal against the said judgement. The matter is currently pending.

(i) IIFL Wealth Finance Limited ("IIFLWF")

There are no outstanding litigations involving our IIFL WF, as on the date of this Draft Shelf Prospectus

(j) IIFL Wealth Management Limited ("IIFLWM")

Legal action taken by statutory or regulatory authorities against IIFLWM

1. IIFLWM filed with NSE/BSE the Corporate Governance Report for the quarter ended December 31, 2019 with one-day delay. For the same it paid a fine of ₹ 2000/- each to NSE / BSE.

(k) IIFL Trustee Limited

Material pending litigations

1. IIFL Income Opportunities Fund Series – Special Situations, a Close Ended Debt Scheme of IIFL Private Equity Fund, had subscribed to 1,500 Series I Debentures of face value of ₹100,000 each aggregating to ₹ 1500 million issued by Ashvi Developers Private Limited. The investment was secured, among other securities, by a security provided by Ariisto Developers Private Limited ("**ADPL**"). There was a default in repayment of debentures, and therefore, an event of default had occurred. One, M/s Dipco Private Limited ("**DIPCO**"), in its capacity as financial creditor of ADPL, initiated NCLT proceedings against ADPL. NCLT ordered the commencement of corporate insolvency resolution process of ADPL on November 20, 2018. NCLT appointed an Insolvency Resolution Professional ("**IRP**"). The said IRP issued public announcement calling upon the creditors of ADPL to submit their claims to IRP. In response, IIFL Trustee Limited, acting on behalf of the aforesaid Fund, submitted the Fund's claim amounting to ₹ 3655,905,019 as a financial creditor of ADPL. Some of the creditors who had also filed their claims, challenged the acceptance of the Fund's claim by the IRP filing an application before the NCLT, Mumbai. IIFL Trustee Limited, on behalf of the Fund, has filed the reply in the matter. Pursuant to the order dated November 13, 2019 passed by NCLT, the NCLT rejected the objections made by some creditors to the claim filed by IIFL Trustee Limited. Also, the resolution plan submitted by Prestige Estate Projects Limited was approved by the Committee of Credito₹ The same is pending for final approval from the NCLT. On November 16, 2019, Dipco filed an appeal before NCLAT, against the dismissal by NCLT of its application. NCLAT rejected the appeal on January 24, 2020 on grounds that challenge to collation of claims by the IRP/RP does not lie after the COC approval of resolution plan. Dipco filed an appeal before the Supreme court against the NCLAT order dated January 24, 2020. The Supreme court dismissed the appeal on February 10, 2020 with a leave to raise appropriate objections before the NCLT in accordance with law. The application for approval of resolution plan i.e. M.A. 3714 of 2020 was listed along with all the pending applications for hearing on October 7, 2020 and October 13, 2020. During the hearing on the aforesaid dates, Adjudicating Authority had directed the RP to file a summary of the effect of the inter-se arrangement between creditors on the distribution matrix. In compliance of the said direction, the RP has e-filed third additional affidavit in M.A. 3714 of 2020. The matter was heard on October 27, 2020 and it is reserved for final order. The captioned matter was listed on January 20, 2021. The opponent requested to keep back the matter since its Counsel was before some other court. The Adjudicating Authority adjourned the matter to February 1, 2021. After hearing parties, the matter was reserved for final order.

2. Techengg Project Services & Equipments (India) Pvt. Ltd. has filed an appeal bearing no. Comp. App. (AT) (Ins) No. 227 of 2021 with NCLAT. The matter was listed at Sr. No. 3 before Principal Bench of NCLAT on March 24, 2021. Mr. Tishampati Sen along with Devesh Juvekar & Dikshat Mehra appeared on behalf of Resolution Professional and Mr. Apratim Animesh Thakur appeared on behalf of Appellant. The Bench directed Mr. Sen to file Affidavit in Reply in the matter. We have filed the Affidavit in reply by RP with the NCLAT and it has been served to the applicant. The next date of hearing is April 26, 2021. We have also filed Caveat with NCLAT for appeal (if any) filed by Ariisto Alert Residents Association. Ariisto Alert Residents Association filed an appeal before the NCLAT in May 2021.

3. IDBI Trusteeship Services Limited, in its capacity as the debenture trustee has filed this present Interim Application & Suit inter alia against Opportune Property Developers India Private Limited & Others in relation to issuance of non-convertible debentures ("**NCDs**") aggregating to ₹ 1300 million in two tranches of ₹ 960 million and ₹ 340 million under two Debenture Trust Deeds both dated March 20, 2018 ("**Opportune DTDs**"). IIFL Trustee Limited, the trustee for IIFL Yield Enhancer Fund is a debenture holder and plaintiff in the said suit. The total outstanding under Opportune DTDs as on October 19, 2020 is ₹ 1848,128,546. The Bombay High Court was pleased to grant ad-interim reliefs restraining the Respondents from, indirectly or directly, transferring or dealing with their assets and properties.

(l) IIFL Asset Management Limited ("IIFLAMIL")

Civil Proceedings Against IIFLAMIL

1. In the year 2015, certain IIFL real estate funds subscribed to non convertible debentures ("**NCDs**") issued by Sutlej Housing Private Limited ("**Sutlej**") for an amount of ₹ 880 million (approximately) against the security of mortgage of a land ("**Mortgaged Property**"). The Mortgaged Property was owned jointly by Sutlej and Nagindas Properties Private Limited ("**NPPL**") pursuant to certain conveyance deeds, development contract and certain other documents and agreements ("**Contracts**"). NPPL and certain other persons filed a suit in the Bombay High Court in October 2019 against Sutlej, promoters of Sutlej and connected persons/entities of Sutlej, and certain lenders of Sutlej seeking, among other reliefs, (i) a direction that the Contracts be declared void, (ii) a permanent injunction against lenders including IIFL Asset Management Limited, who is acting as investment manager to IIFL real estate funds that had invested in NCDs of Sutlej, restraining them from acting on the encumbrance created and taking any steps to enforce their charge. However, as one of creditor's application for corporate insolvency resolution process was accepted by the NCLT, Mumbai vide order dated September 25, 2019 a corporate insolvency resolution process got commenced in respect of Sutlej. Such NCLT order further directed the moratorium on all pending suits against Sutlej, and, as such the suit filed by NPPL before the Bombay High Court has been placed in abeyance.

2. IIFL Cash Opportunities Fund had through its Investment Manager IIFL Asset Management Limited subscribed to certain Optionally Convertible Debentures issued by Marvel Sigma Homes Private Limited. The investment was secured, among other securities, by a property situated at Village Hadapsar, Taluka - Haveli, District – Pune. Shri Pramod Tukaram Magar ("**Plaintiff No. 1**") and seven others ("**the Plaintiffs**") have claimed that they are the rightful owners of the concerned property and that Marvel Sigma Homes Private Limited ("**Defendant No**. **1**"), the developer of the property, was not authorised to provide the said property as collateral. Therefore, Plaintiffs have filed a Commercial Civil Suit before District and Sessions Court, Pune, against Defendant No. 1 and 11 others praying that the Debenture Trust Deed, pursuant to which the Debenture Subscription was made, be declared null and void. IIFL Cash Opportunities Fund and IIFL Asset Management Limited have also been made defendants although there is no claim made against IIFL Cash Opportunities Fund and IIFL Asset Management Limited. A summons has been served to appear before the District and Sessions Court, Pune on January 1, 2021. The advocate for the defendants requested for a complete set (with exhibits) of the Suit filed by the Plaintiffs. The advocate for the Plaintiffs agreed that they had not provided the entire set to the Defendants and that they would do so the same day. The matter is posted for January 21, 2021. After the last hearing, along with copies of complete set of the Suit (with exhibits) an injunction application of the Plaintiffs was provided. Adjournment applications on behalf of the defendant nos.5 to 12 was filed seeking time to file reply to the injunction application and the same was allowed. Matter is posted on February 12, 2021 for filing of reply to the injunction application of the Plaintiffs. The matter got adjourned to March 6, 2021 as the concerned Judge was on leave. On March 22, 2021, as the judge was on leave, the court *suo moto* gave the next date as April 1, 2021. On April 1, 2021, WS and application challenging the jurisdiction of the Commercial Court was filed on record by Vistra & ICICI. Marvel, being one of the defendants, has also filed an application under Section 8 of the Arbitration and Conciliation Act, 1996, challenging the jurisdiction of the Commercial Court. Next date in the matter is April 22, 2021. We are in the process of filing an application for striking off of IIFL name from the proceedings. The next date in the matter is June 7, 2021.

(m) IIFL Capital Inc. ("IIFCI")

1. IIFCI is registered as a broker dealer with the Financial Industry Regulatory Authority, United States of America ("**FRA**"). IIFCI, for a period of time, missed to meet the regulatory minimum net capital requirement, due to an inadvertent miss - classification of receivables in books of accounts. IIFCI settled the non-compliance by payment of USD 15,000 to FRA and since then has duly complied with minimum net capital requirement.

Except as stated below, there are no outstanding tax proceedings involving any of our Group Companies, as on the date of this Draft Shelf Prospectus:

IIFL Securities Limited

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Service tax	2	335.80
Total		**2**	**335.80**

Direct tax Proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income tax	1	22.41
Total		**1**	**22.41**

IIFL Commodities Limited

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Indirect tax	1	6.52
Total		**1**	**6.52**

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors in its meeting held on June 6, 2020, approved raising of funds through issuance of debentures by way of a public issue for an overall limit aggregating to ₹50,000 million. Pursuant to such resolution, the present issue through this Draft Shelf Prospectus of Secured NCDs of face value of ₹1,000 each and/or Unsecured NCDs ₹1,000, aggregating up to ₹50,000 million ("**Shelf Limit**"), hereinafter called the "Issue" is approved by the Finance Committee of our Board of Directors in its meeting dated June 17, 2021. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by the Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹1,90,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated November 12, 2018.

Further NHB has granted No Objection Certificate ("**NOC**") as a lender.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Wilful Defaulter

Our Company and/or our Directors and/or our Promoters have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months.

Disclaimer clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, IIFL SECURITIES LIMITED*, ICICI SECURITIES LIMITED TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, IIFL SECURITIES LIMITED*, ICICI SECURITIES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED, AND CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•], 2021, WHICH READS AS FOLLOWS:

[•]

***IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue*

Disclaimer Clause of the BSE

[•]

Disclaimer Clause of NSE

[•]

Disclaimer Clause of the NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 14, 2018, ISSUED BY THE NATIONAL HOUSING BANK UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY NHB IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY NHB TO THIS DRAFT SHELF PROSPECTUS NOR SHOULD IT BE DEEMED THAT NHB HAS APPROVED IT.

HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Statement of CRISIL Limited

THIS DISCLAIMER FORMS PART OF AND APPLIES TO EACH CREDIT RATING REPORT AND/OR CREDIT RATING RATIONALE (EACH A "REPORT") THAT IS PROVIDED BY CRISIL RATINGS LIMITED (HEREINAFTER REFERRED TO AS "CRISIL RATINGS") . FOR THE AVOIDANCE OF DOUBT, THE TERM "REPORT" INCLUDES THE INFORMATION, RATINGS AND OTHER CONTENT FORMING PART OF THE REPORT. THE REPORT IS INTENDED FOR THE JURISDICTION OF INDIA ONLY. THIS REPORT DOES NOT CONSTITUTE AN OFFER OF SERVICES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE REPORT IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY LICENSES AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES REFERRED TO ABOVE. ACCESS OR USE OF THIS REPORT DOES NOT CREATE A CLIENT RELATIONSHIP BETWEEN CRISIL RATINGS AND THE USER.

WE ARE NOT AWARE THAT ANY USER INTENDS TO RELY ON THE REPORT OR OF THE MANNER IN WHICH A USER INTENDS TO USE THE REPORT. IN PREPARING OUR REPORT WE HAVE NOT TAKEN INTO CONSIDERATION THE OBJECTIVES OR PARTICULAR NEEDS OF ANY PARTICULAR USER. IT IS MADE ABUNDANTLY CLEAR THAT THE REPORT IS NOT INTENDED TO AND DOES NOT CONSTITUTE AN INVESTMENT ADVICE. THE REPORT IS NOT AN OFFER TO SELL OR AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY INVESTMENT IN ANY SECURITIES, INSTRUMENTS, FACILITIES OR SOLICITATION OF ANY KIND OR OTHERWISE ENTER INTO ANY DEAL OR TRANSACTION WITH THE ENTITY TO WHICH THE REPORT PERTAINS. THE REPORT SHOULD NOT BE THE SOLE OR PRIMARY BASIS FOR ANY INVESTMENT DECISION WITHIN THE MEANING OF ANY LAW OR REGULATION (INCLUDING THE LAWS AND REGULATIONS APPLICABLE IN THE US).

RATINGS FROM CRISIL RATINGS ARE STATEMENTS OF OPINION AS OF THE DATE THEY ARE EXPRESSED AND NOT STATEMENTS OF FACT OR RECOMMENDATIONS TO PURCHASE, HOLD, OR SELL ANY SECURITIES / INSTRUMENTS OR TO MAKE ANY INVESTMENT DECISIONS. ANY OPINIONS EXPRESSED HERE ARE IN GOOD FAITH, ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND ARE ONLY CURRENT AS OF THE STATED DATE OF THEIR ISSUE. CRISIL RATINGS ASSUMES NO OBLIGATION TO UPDATE ITS OPINIONS FOLLOWING PUBLICATION IN ANY FORM OR FORMAT ALTHOUGH CRISIL RATINGS MAY DISSEMINATE ITS OPINIONS AND ANALYSIS. RATING BY CRISIL

RATINGS CONTAINED IN THE REPORT IS NOT A SUBSTITUTE FOR THE SKILL, JUDGMENT AND EXPERIENCE OF THE USER, ITS MANAGEMENT, EMPLOYEES, ADVISORS AND/OR CLIENTS WHEN MAKING INVESTMENT OR OTHER BUSINESS DECISIONS. THE RECIPIENTS OF THE REPORT SHOULD RELY ON THEIR OWN JUDGMENT AND TAKE THEIR OWN PROFESSIONAL ADVICE BEFORE ACTING ON THE REPORT IN ANY WAY. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

NEITHER CRISIL RATINGS NOR ITS AFFILIATES, THIRD PARTY PROVIDERS, AS WELL AS THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY, "CRISIL RATINGS PARTIES") GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE REPORT, AND NO CRISIL RATINGS PARTY SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN, REGARDLESS OF THE CAUSE, OR FOR THE RESULTS OBTAINED FROM THE USE OF ANY PART OF THE REPORT. EACH CRISIL RATINGS' PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL ANY CRISIL RATINGS PARTY BE LIABLE TO ANY PARTY FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING, WITHOUT LIMITATION, LOST INCOME OR LOST PROFITS AND OPPORTUNITY COSTS) IN CONNECTION WITH ANY USE OF ANY PART OF THE REPORT EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

CRISIL RATINGS MAY RECEIVE COMPENSATION FOR ITS RATINGS AND CERTAIN CREDIT-RELATED ANALYSES, NORMALLY FROM ISSUERS OR UNDERWRITERS OF THE INSTRUMENTS, FACILITIES, SECURITIES OR FROM OBLIGORS. CRISIL RATING'S PUBLIC RATINGS AND ANALYSIS AS ARE REQUIRED TO BE DISCLOSED UNDER THE REGULATIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (AND OTHER APPLICABLE REGULATIONS, IF ANY) ARE MADE AVAILABLE ON ITS WEB SITES, WWW.CRISIL.COM (FREE OF CHARGE). REPORTS WITH MORE DETAIL AND ADDITIONAL INFORMATION MAY BE AVAILABLE FOR SUBSCRIPTION AT A FEE - MORE DETAILS ABOUT RATINGS BY CRISIL RATINGS ARE AVAILABLE HERE: WWW.CRISILRATINGS.COM.

CRISIL RATINGS AND ITS AFFILIATES DO NOT ACT AS A FIDUCIARY. WHILE CRISIL RATINGS HAS OBTAINED INFORMATION FROM SOURCES IT BELIEVES TO BE RELIABLE, CRISIL RATINGS DOES NOT PERFORM AN AUDIT AND UNDERTAKES NO DUTY OF DUE DILIGENCE OR INDEPENDENT VERIFICATION OF ANY INFORMATION IT RECEIVES AND / OR RELIES IN ITS REPORTS. CRISIL RATINGS HAS ESTABLISHED POLICIES AND PROCEDURES TO MAINTAIN THE CONFIDENTIALITY OF CERTAIN NON-PUBLIC INFORMATION RECEIVED IN CONNECTION WITH EACH ANALYTICAL PROCESS. CRISIL RATINGS HAS IN PLACE A RATINGS CODE OF CONDUCT AND POLICIES FOR ANALYTICAL FIREWALLS AND FOR MANAGING CONFLICT OF INTEREST. FOR DETAILS PLEASE REFER TO: HTTP://WWW.CRISIL.COM/RATINGS/HIGHLIGHTEDPOLICY.HTML

RATING CRITERIA BY CRISIL RATINGS ARE GENERALLY AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE CRISIL RATINGS PUBLIC WEB SITE, WWW.CRISIL.COM. FOR LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS YOU MAY CONTACT CRISIL RATING DESK AT CRISILRATINGDESK@CRISIL.COM, OR AT (0091) 1800 267 1301.

THIS REPORT SHOULD NOT BE REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON OR IN ANY FORM WITHOUT A PRIOR WRITTEN CONSENT OF CRISIL RATINGS.

Disclaimer Statement of Brickwork Ratings Private Limited

BRICKWORK RATINGS INDIA PVT. LTD. (BWR), A SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) REGISTERED CREDIT RATING AGENCY AND ACCREDITED BY THE RESERVE BANK OF INDIA (RBI), OFFERS CREDIT RATINGS OF BANK LOAN FACILITIES, NON- CONVERTIBLE / CONVERTIBLE / PARTIALLY CONVERTIBLE DEBENTURES AND OTHER CAPITAL MARKET INSTRUMENTS AND BONDS, COMMERCIAL PAPER, PERPETUAL BONDS, ASSET-BACKED AND MORTGAGE-BACKED SECURITIES, PARTIAL GUARANTEES AND OTHER STRUCTURED / CREDIT ENHANCED DEBT INSTRUMENTS, SECURITY RECEIPTS, SECURITIZATION PRODUCTS, MUNICIPAL BONDS, ETC.

(HEREAFTER REFERRED TO AS "INSTRUMENTS"). BWR ALSO RATES NGOS, EDUCATIONAL INSTITUTIONS, HOSPITALS, REAL ESTATE DEVELOPERS, URBAN LOCAL BODIES AND MUNICIPAL

CORPORATIONS.

BWR WISHES TO INFORM ALL PERSONS WHO MAY COME ACROSS RATING RATIONALES AND RATING REPORTS PROVIDED BY BWR THAT THE RATINGS ASSIGNED BY BWR ARE BASED ON INFORMATION OBTAINED FROM THE ISSUER OF THE INSTRUMENT AND OTHER RELIABLE SOURCES, WHICH IN BWR'S BEST JUDGEMENT ARE CONSIDERED RELIABLE.

THE RATING RATIONALE / RATING REPORT & OTHER RATING COMMUNICATIONS ARE INTENDED FOR THE JURISDICTION OF INDIA ONLY. THE REPORTS SHOULD NOT BE THE SOLE OR PRIMARY BASIS FOR ANY INVESTMENT DECISION WITHIN THE MEANING OF ANY LAW OR REGULATION (INCLUDING THE LAWS AND REGULATIONS APPLICABLE IN EUROPE AND ALSO THE USA).

BWR ALSO WISHES TO INFORM THAT ACCESS OR USE OF THE SAID DOCUMENTS DOES NOT CREATE A CLIENT RELATIONSHIP BETWEEN THE USER AND BWR.

THE RATINGS ASSIGNED BY BWR ARE ONLY AN EXPRESSION OF BWR'S OPINION ON THE ENTITY / INSTRUMENT AND SHOULD NOT IN ANY MANNER BE CONSTRUED AS BEING A RECOMMENDATION TO EITHER, PURCHASE, HOLD OR SELL THE INSTRUMENT.

BWR ALSO WISHES TO ABUNDANTLY CLARIFY THAT THESE RATINGS ARE NOT TO BE CONSIDERED AS AN INVESTMENT ADVICE IN ANY JURISDICTION NOR ARE THEY TO BE USED AS A BASIS FOR OR AS AN ALTERNATIVE TO INDEPENDENT FINANCIAL ADVICE AND JUDGEMENT OBTAINED FROM THE USER'S FINANCIAL ADVISORS. BWR SHALL NOT BE LIABLE TO ANY LOSSES INCURRED BY THE USERS OF THESE RATING RATIONALES, RATING REPORTS OR ITS CONTENTS. BWR RESERVES THE RIGHT TO VARY, MODIFY, SUSPEND OR WITHDRAW THE RATINGS AT ANY TIME WITHOUT ASSIGNING REASONS FOR THE SAME.

BWR'S RATINGS REFLECT BWR'S OPINION ON THE DAY THE RATINGS ARE PUBLISHED AND ARE NOT REFLECTIVE OF FACTUAL CIRCUMSTANCES THAT MAY HAVE ARISEN ON A LATER DATE. BWR IS NOT OBLIGED TO UPDATE ITS OPINION BASED ON ANY PUBLIC NOTIFICATION, IN ANY FORM OR FORMAT ALTHOUGH BWR MAY DISSEMINATE ITS OPINION AND ANALYSIS WHEN DEEMED FIT.

NEITHER BWR NOR ITS AFFILIATES, THIRD PARTY PROVIDERS, AS WELL AS THE DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY, "BWR PARTY") GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE RATINGS, AND NO BWR PARTY SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN, REGARDLESS OF THE CAUSE, OR FOR THE RESULTS OBTAINED FROM THE USE OF ANY PART OF THE RATING RATIONALES OR RATING REPORTS. EACH BWR PARTY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL ANY BWR PARTY BE LIABLE TO ANY ONE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING, WITHOUT LIMITATION, LOST INCOME OR LOST PROFITS AND OPPORTUNITY COSTS) IN CONNECTION WITH ANY USE OF ANY PART OF THE RATING RATIONALES AND/OR RATING REPORTS EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HOWEVER, BWR OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY. BWR AND ITS AFFILIATES DO NOT ACT AS A FIDUCIARY.

BWR KEEPS CERTAIN ACTIVITIES OF ITS BUSINESS UNITS SEPARATE FROM EACH OTHER IN ORDER TO PRESERVE THE INDEPENDENCE AND OBJECTIVITY OF THE RESPECTIVE ACTIVITY. AS A RESULT, CERTAIN BUSINESS UNITS OF BWR MAY HAVE INFORMATION THAT IS NOT AVAILABLE TO OTHER BWR BUSINESS UNITS. BWR HAS ESTABLISHED POLICIES AND PROCEDURES TO MAINTAIN THE CONFIDENTIALITY OF CERTAIN NON-PUBLIC INFORMATION RECEIVED IN CONNECTION WITH EACH ANALYTICAL PROCESS.

BWR CLARIFIES THAT IT MAY HAVE BEEN PAID A FEE BY THE ISSUERS OR UNDERWRITERS OF THE INSTRUMENTS, FACILITIES, SECURITIES ETC., OR FROM OBLIGORS. BWR'S PUBLIC RATINGS AND ANALYSIS ARE MADE AVAILABLE ON ITS WEB SITE, WWW.BRICKWORKRATINGS.COM. MORE DETAILED INFORMATION MAY BE PROVIDED FOR A FEE. BWR'S RATING CRITERIA ARE ALSO GENERALLY MADE AVAILABLE WITHOUT CHARGE ON BWR'S WEBSITE.

THIS DISCLAIMER FORMS AN INTEGRAL PART OF THE RATINGS RATIONALES / RATING REPORTS OR OTHER PRESS RELEASES, ADVISORIES, COMMUNICATIONS ISSUED BY BWR AND CIRCULATION OF THE RATINGS WITHOUT THIS DISCLAIMER IS PROHIBITED.

BWR IS BOUND BY THE CODE OF CONDUCT FOR CREDIT RATING AGENCIES ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA AND IS GOVERNED BY THE APPLICABLE REGULATIONS ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA AS AMENDED FROM TIME TO TIME.

Disclaimer statement from the Issuer

The Issuer accepts no responsibility for statements made other than in this Draft Shelf Prospectus issued by our Company in connection with the Issue of the NCDs and anyone placing reliance on any other source of information would be doing so at his / her own risk.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
IIFL Securities Limited	www.iiflcap.com
ICICI Securities Limited	www.icicisecurities.com
Trust Investment Advisors Private Limited	www.trustgroup.in
Equirus Capital Private Limited	www.equirus.com

Listing

An application will be made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Draft Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the date of closure of the relevant Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Chief Financial Officer, (c) Company Secretary and Compliance Officer (d) Bankers to our Company (e) Lead Managers; (f) the Registrar to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (i) CRISIL as an industry expert and (j) the Debenture Trustee; (k) Lead Brokers/ Syndicate Members to act in their respective capacities, have been or will be duly obtained from them and the same will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the RoC. Further, consents from the Public Issue Account Bank, Refund Bank, Sponsor Bank, to each respective tranche issue, to act in their respective capacities, shall be obtained and filed along with a copy of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC.

Our Company has received written consent dated June 17, 2021 from the Statutory Auditors namely, M/s. M.P. Chitale, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current Statutory Auditor and in respect of their (i) examination report dated June 15, 2021 on our Reformatted Financial Statements under Ind AS, (ii) examination report dated June 15, 2021 on our Reformatted Financial Statements under IGAAP; and (iii) the statement of tax benefits and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

Our Company has received written consent dated June 17, 2021 from the Statutory Auditors namely, M/s. M.P. Chitale & Co., Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current Statutory Auditor and in respect of their (i) examination report dated June 15, 2021 on our Reformatted Financial Statements under Ind AS, (ii) examination report dated June 15, 2021 on our Reformatted Financial Statements under IGAAP; and (iii) the statement of tax benefits and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (as specified in the relevant Tranche Prospectus). If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Account(s), such Application Amounts shall be refunded within 6 Working Days from the Refund Account to the relevant ASBA Accounts(s) of the Applicants. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Filing of this Draft Shelf Prospectus

A copy of this Draft Self Prospectus has been filed with the Stock Exchanges in terms of Debt Regulations for dissemination on their respective websites.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of Debt Regulations. A copy of the Shelf Prospectus and copies of relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any housing finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Fiscal 2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Issue Related Expenses

The expenses of the Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members/Lead Brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees payable to the intermediaries as provided for in the Debt UPI Circular, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

This Issue shall not be unwritten.

Identification as wilful defaulter

Our Company (as defined under the Companies Act, 2013) or any of its directors or promoters have not been identified as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other governmental authority.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

Except as disclosed below, there are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Shelf Prospectus.

IIFL Finance Limited (formerly known as IIFL Holdings Limited)

Utilisation of Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act, 2013;

(ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(iv) we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus in the section titled "*Terms of the Issue*" on page 376 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of Secured NCDs and I receipt of listing and trading approval from BSE and NSE;

(v) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property; and

(vi) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time.

The funds raised by us from previous bonds issues have been utilised for our business as stated in the respective offer documents.

Utilisation details of previous public issues

Utilisation details of previous public issues made by our Company

Our Company has made 1 (one) public issue in 2 (two) tranches of secured, rated, listed, redeemable, non-convertible debentures and unsecured rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each. The details of the utilisation of issue proceeds, tranche wise, from such public issues are given below:

(₹ in Million)

Tranche	Issue opening date	Issue closing date	Date of allotment of securities	Type	Total Issue Size	Particulars	Outstanding amount
Tranche I	December 12, 2013	December 18, 2013	December 27, 2013	Secured Redeemable Non-Convertible Debentures	5,000	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for the financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements.	Nil. Debentures were matured on December 26, 2018
Tranche II	March 12, 2014	March 24, 2014	April 3, 2014	Unsecured Redeemable Non-Convertible Debentures	2,000	The funds raised through this issue, after meeting the expenditures of and related to the issue, will boost tier II capital and capital adequacy and shall be used for the financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay existing loans and business operations including capital expenditure, general corporate purpose and	Nil. Debentures were matured on March 30, 2020

						working capital requirements	

Public / Rights Issues of Equity Shares

Public Issue:

Our Company has not undertaken any equity public issue prior to the date of this Draft Shelf Prospectus

Particulars	Public Issue
Date of Opening	N.A
Date of Closing	N.A
Total Issue Size (in ₹ Million)	N.A
Date of Allotment	N.A
Date of Listing	N.A
Utilisation of Proceeds	N.A

Rights Issue

Our Company has undertaken the following rights issue of equity shares of face value of ₹10 each in the last 5 (five) years.

Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash/ Other than cash	Cumulative			Details of Utilisation
				No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
September 30, 2016	3,000,000[(1)]	750.00	Cash	17,968,181	179,681,810	552,25,67,740	Augmentation of the share capital of our Company followed by the utilization of the proceeds for business purposes by our Company
March 30, 2017	2,000,000[(2)]	800.00	Cash	19,968,181	199,681,810	700,25,67,740	
November 30, 2018	1,000,000[(3)]	1,000.00	Cash	20,968,181	209,681,810	799,25,67,740	

[(1)] *Allotment of 3,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*
[(2)] *Allotment of 2,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*
[(3)] *Allotment of 1,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)*

Our Company has not undertaken any rights issue of equity shares to the public in the last 5 (five) years.

Public Issue / Rights issue (to the public) by our group companies in the last 5 (five) years from the Draft Shelf Prospectus*:*

Our group companies have undertaken the following public issues of debentures in the last 5 (five) years from the date of this Draft Shelf Prospectus:

1. **India Infoline Finance Limited (now merged with IIFL Finance Limited (formerly known as IIFL Holdings Limited)**

Name of Company	India Infoline Finance Limited	
Date of Opening	January 22, 2019	August 6, 2019
Date of Closing	February 1, 2019	August 30, 2019
Total Issue Size	Rs. 20,000 million	Rs. 10,000 million
Date of Allotment	February 7, 2019	September 06, 2019

Date of Refunds	NA	NA
Date of Listing	February 8, 2019 (BSE & NSE)	September 09, 2019 (BSE & NSE)
Utilisation of Proceeds	For various financing activities including onward lending and investments activity, to repay existing loans and for business operations including our capital expenditure and working capital requirements and other general corporate purposes.	For various financing activities including onward lending, for repayment /prepayment of interest and principal of existing borrowing and other general corporate purposes.

Our group companies have undertaken the following right issues in the last 5 (five) years from the date of this Draft Shelf Prospectus:

1. 5 Paisa Capital Limited

Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash (₹)	Cumulative			Details of Utilisation
				No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
August 20, 2019	12,738,646	80	1,019,091,680	25,477,668	254,776,680	1,694,212,710	The funds raised through Rights Issue have been utilized for the following purpose during the year: 1. Business & Operations Expansion 2. Manpower expenses 3. Margin Maintenance with Stock Exchange 4. Investment in Subsidiary 5. General Corporate purpose

Buyback:

IIFL Securities Limited, a group company, vide its Public Announcement dated December 23, 2020, announced the Buyback of its fully paid-up equity shares of face value of ₹ 2 each (Equity shares), from the members of the Company (except promoters, promoter group and persons in control of the Company) for an amount aggregating up to ₹ 90,00,00,000 (Rupees Ninety Crores only) ('Maximum Buyback Size') at a price not exceeding ₹54 (Rupees Fifty Four Only) per Equity Share, under the open market route through the stock exchanges.

The Buyback commenced on December 30, 2020 and had been closed with effect from February 15, 2021. The Company bought back a total of 1,70,00,394 Equity Shares under the Buyback and the total amount spent was approximately ₹ 86,68,19,665.00 (excluding transaction costs), representing 96.31% of the Maximum Buyback Size.

Other than as disclosed above, there are no other public / rights issues (to the public) by our group companies during the last 5 (five) years from the date of the Draft Shelf Prospectus.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2021, our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see chapter titled "*Financial Indebtedness*" on page 309.

Our Company does not have any preference shares as on March 31, 2021.

Further, save and except as mentioned in this Draft Shelf Prospectus and hereinbelow, the Company has not issued any other debentures.

Other than as specifically disclosed in this Draft Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Dividend

Our Company has in place dividend distribution policy prepared in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 approved by the Board of Directors of the Company. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Dividend paid to equity shareholders of the Company over the last five years on a standalone basis:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Equity Share					
Equity Share Capital (₹ in Million)	210	210	210	200	200
Face Value Per Equity Share (₹)	10	10	10	10	10
Interim Dividend on Equity Shares (₹ per Equity Share)	25	15	2	-	-
Total interim dividend on Equity Shares (₹ in Million)	524	315	42	-	-
Dividend Declared Rate (In %)	250%	150%	20%	0%	0%
Dividend tax (gross) on interim dividend (₹ in Million)	-	65	9	-	-
Preference Share					
Dividend on Preference Shares (₹ in Million)	0	0	0	0	13

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated June 16, 2021 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer of the Company giving full details of the Applicant (including the DP ID, Client ID and PAN), number of NCDs applied for, amount paid on application series or option applied for and Member of the Syndicate or Trading Member or SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel.: + 91 22 4918 6200;
Fax: + 91 22 4918 6195;
Email: iiflhome.ncd@linkintime.co.in;
Investor Grievance Email: iiflhome.ncd@linkintime.co.in;
Website: www.linkintime.co.in;
Contact Person: Shanti Gopalkrishnan
Compliance Officer: B.N. Ramakrishnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

Mr. Ajay Jaiswal has been appointed as the Compliance Officer for this issue.

The contact details of the Company Secretary and Compliance Officer of our Company are as follows:

IIFL Home Finance Limited
Plot No.98, Udyog Vihar,
Phase - IV, Gurgaon – 122 015
Telephone: +91 124 4754 600
Facsimile: +91 22 3929 4000
Email: secretarialhfc@iifl.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, etc.

Change in auditors of our Company during the last three years

Name	Address	Date of appointment	Date of resignation	Remarks
Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Tower 3, 27–h - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013.	July 22, 2017	June 07, 2020	In the opinion of the Auditors the fees proposed by the management of the Company was not commensurate to the efforts that they would be incurring to conduct the audit operations.
M/s. M.P. Chitale & Co. Chartered Accountants	M. P. Chitale & Co. Hamam House, 1st Floor, Ambalal Doshi Marg, Fort, Mumbai 400 001, India.	June 07, 2020	-	-

A. Details of overall lending by our Company as of March 31, 2021 on a standalone basis.

Type of loans:

The detailed break-up of the type of loans including bills receivables given by our Company as on March 31, 2021 is as follows:

(₹ in million)

Sr. No.	Type of Loans	Amount	Percentage of AUM
1.	Secured	206,910.16	99.99%
2.	Unsecured	26.71	0.01%
	Total Assets under Management (AUM)	**2,06,936.87**	100%

B. Sectoral exposure as on March 31, 2021:

Sr. No.	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	-
	(a) Mortgages (Home loans and secured business loan)	96%
	(b) Gold loans	-
	(c) Vehicle loans	-
	(d) MFI	-
	(e) MS&SME	-
	(f) Capital market funding (loan against shares, margin funding)	-
	(g) Others	-
2.	**Wholesale**	-
	(a) Infrastructure	-
	(b) Real Estate (including builder loans)	4%
	(c) Promoter funding	-
	(d) Others	-
	Total	**100.00%**

C. Denomination of the loans outstanding by ticket size as on March 31, 2021

Sr. No.	Ticket Size	Percentage of AUM
1.	Upto ₹ 0.2 million	0.27%
2.	₹ 0.2 million to ₹ 0.5 million	1.40%
3.	₹ 0.5 million to ₹ 1 million	7.57%
4.	₹ 1 million to ₹ 2.5 million	40.88%
5.	₹ 2.5 million to ₹ 5 million	20.53%
6.	₹ 5 million to ₹ 10 million	6.10%
7.	₹ 10 million to ₹ 50 million	10.64%
8.	₹ 50 million to ₹ 250 million	8.27%
9.	₹ 250 million to ₹ 1000 million	4.02%
10.	Above ₹ 1000 million	0.32%
	Total	**100.00%**

D. Denomination of loan outstanding by LTV* as on March 31, 2021

Sr. No.	LTV	Percentage of AUM*
1.	Up to 40%	14.50%
2.	40% - 50%	7.91%
3.	50% - 60%	11.12%
4.	60% - 70%	16.42%
5.	70% - 80%	24.18%
6.	80% - 90%	25.85%
7.	More than 90%	0.02%
	Total	**100.00%**

**LTV as at March 31, 2021*
**Percentage of AUM of Mortgages*

**LTV at the time of origination*

E. Geographical Classification of Company's borrowers as on March 31, 2021

Sr. No.	Top five States	Percentage of AUM
1.	Delhi NCR	28.39%
2.	Mumbai	16.21%
3.	Gujarat	9.76%
4.	MPCG	8.24%
5.	Karnataka	6.34%
	Others	31.07%
	Total	**100.00%**

F. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2021

Particulars	Details
Total advances to twenty largest borrowers *(₹ in million)*	10,451.75
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	5.05%

G. Aggregated exposure to top 20 borrowers with respect to concentration of exposure as on March 31, 2021

Particulars	Details
Total exposure to twenty largest borrowers*(₹ in million)*	11,121.04
Percentage of exposure to twenty largest borrowers to total exposure of the Company	5.02%

Note: In in point (F) and (G) above, every loan account were clubbed to one particular borrower wherever applicable.

H. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2021:

1. Movement of Gross NPAs

(₹ in million)

S. No.	Particulars	Amount
1.	Opening balance	2,342.73
2.	Additions during the year	1,942.59
3.	Reductions during the year	(757.54)
4.	Closing balance	3,527.79

**Closing and opening of Gross Non Performing Asset includes Interest Accrued and others of ₹ 603.20 million and ₹ 290.43 million, respectively.*

2. Movement of provisions for NPAs (excluding provisions on standard assets)

(₹ in million)

S. No.	Particulars	Amount
1.	Opening balance	773.19
2.	Provisions made during the year	1,148.93
3.	Write-off / write-back of excess provisions	(229.97)
4.	Closing balance	1,692.15

3. Segment-wise gross NPA as on March 31, 2021:

S. No	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	-
A	Home loans	1.50%
B	Loan Against Property	3.46%
C	Loan Against Shares	-
D	Construction & Real Estate Finance	-
E	Gold Loans	-
F	MSME & Others	-
G	Promoter	-
2	**Wholesale**	-

S. No	Segment-wise gross NPA	Gross NPA (%)
A	Infrastructure	-
B	Real Estate (including builder loans)	-
C	Promoter funding	-
D	Others	-
3	**Large Corporate**	-
A	Structured Finance	-
B	Term Loan/ Working Capital Demand Loan	-
4	**Small and Medium Enterprises**	-
A	Loan Against Property	-
B	Structured Finance	-
C	Supply Chain	-
Total GNPA		1.97%

I. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter as on 31st March, 2021.

Onward lending to borrowers forming part of the "Group" as defined by RBI as on March 31, 2021:

Name of the Borrower (A)	Amount of advances / exposures to such Borrower (Group) (B) (₹ in crores)	Percentage of exposure = B/Total AUM
NIL		

J. Residual Maturity Profile of Assets and Liabilities as on March 31, 2021

(₹ in million)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months &upto 6 months	Over 6 months &upto 1 year	Over 1 year &upto 3 year	Over 3 year &upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	**-**
Advances	5,648.64	2,744.67	2,747.76	7,406.85	13,590.95	44,229.94	25,045.16	44,374.71	**1,45,788.68**
Reserves and Surplus	-	-	-	-	-	-	-	21,247.41	**21,247.41**
Investment	0.34	0.34	0.34	1.04	2.16	9.59	10.83	1647.55	**1,672.19**
Borrowings	2,439.08	6,016.66	4,946.15	13,579.93	14,314.00	38,096.36	18,606.15	28,336.83	**1,26,335.16**
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	116.38	-	-	-	3,650.89	-	-	**3,767.27**

K. Concentration of Exposure and NPA as of March 31, 2021

(₹ in million)

Particulars	Amount
Concentration of Exposures	
Total advances to twenty largest borrowers	11,121.04
Percentage of exposure to twenty largest borrowers to total exposure of the Company	5.02%
Concentration of NPAs	
Total exposure to top four NPA accounts	404.97

(a) Lending policy: For details on lending policy please see "*Our Business*" on page 93.

(b) Details regarding lending out of issue proceeds of Previous Issues:

(i) Loan given by the Company: Our Company has not undertaken any prior public issuance of debentures in the last five years. Accordingly, our Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter or others out of proceeds from previous public issuances of debentures in the last five years.

(ii) Utilisation of Issue Proceeds of the previous Issues by our Company and group companies:

(iii) Group companies: Our Company has not undertaken any prior public issuance of debentures in the last five years. Accordingly, our Company has not provided any loans/advances to its group companies from the proceeds of previous public issue of debentures in the last five years.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus with ROC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 19, there are no reservations or qualifications or adverse remarks in the financial statements of our company in the last five financial years immediately preceding this Draft Shelf Prospectus.

Trading

Debt securities issued by our Company, which are listed on NSE and BSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs are as follows:

Issuer	IIFL Home Finance Limited
Type of instrument/ Name of the security/ Seniority	(i) secured NCDs (ii) unsecured subordinated NCDs
Nature of the Instrument	(i) secured NCDs of face value of ₹ 1,000 each (ii) unsecured NCDs of face value of ₹ 1,000 each
Mode of the Issue	Public Issue
Lead Managers	Edelweiss Financial Services Limited, IIFL Securities Limited, ICICI Securities Limited; Trust Investment Advisors Private Limited, and Equirus Capital Private Limited.
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	Link In time India Private Limited
Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible Investors	Please refer to the section titled "*Issue Procedure –Who can apply??"* on page 393.
Objects of the Issue	Please refer to the section titled "*Objects of the Issue*" on page 59.
Details of Utilization of the Proceeds	Please refer to the section titled "*Objects of the Issue*" on page 59.
Interest Rate on each category of investor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step Down Interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest Payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual / Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default Interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Premium / Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value	₹1000 per NCD
Issue Price	₹1000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue

Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot / Trading Lot	The market lot will be 1 Debenture ("**Market Lot**"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit Ratings	The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) for an amount of ₹ 50,000 million by CRISIL Ratings Limited vide their rating letter dated June 11, 2021 and BWR AA+/ Negative (Assigned) (pronounced as "BWR Double A plus with Negative outlook") for an amount of ₹50,000 million by Brickwork Ratings India Private Limited vide their rating letter dated June 11, 2021. The aforesaid rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to *Annexures A and B* of this Draft Shelf Prospectus for the rationale of the above ratings.
Listing	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within 6 Working Days from the date of Issue Closure.
Modes of payment	Please refer to the section titled *"Terms of the Issue – Terms of Payment"* on page 386.
Issuance mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date	As specified in the relevant Tranche Prospectus for each Tranche Issue ** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Finance Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to the section titled "*General Information*" on page 44.
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Not Applicable
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement	The principal amount of the Secured NCDs to be issued in terms of the Draft Shelf Prospectus, the Shelf Prospectus and/or the relevant Tranche Prospectus(es) together with all interest due and payable on the Secured NCDs, thereof shall be secured by way of first pari-passu/ specified charge in favour of the Debenture Trustee on present and future receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of atleast 100% of the outstanding principal amounts of the Secured NCDs and interest thereon is

of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Shelf Prospectus and relevant Tranche Prospectus%	maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. For further details on date of creation of security/likely date of creation of security, minimum security cover etc. please refer to the section titled "*Terms of the Issue – Security*" on page 376 and the respective Debenture Trust Deed to be executed for respective Tranche Issue. The Company shall pay interest of atleast 2% p.a. to the NCD holders, over and above the coupon rate mentioned in the relevant Tranche Prospectus(es) if the Company fails to execute the Debenture Trust Deed within the stipulated regulatory timeframe.
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Lead Broker Agreement. For further details, please refer to "*Material Contracts and Documents for Inspection*" on page 435.
Condition precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement
Condition subsequent to the disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please refer to the section titled "*Terms of the Issue – Events of Default*" on page 379.
Creation of recovery expense fund	Our Company undertakes to deposit, in the manner as may be specified by SEBI from time to time, the amount in the recovery expense fund and inform the Debenture Trustee regarding the deposit in such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the summary term sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed and relevant Tranche Prospectus
Deemed date of Allotment	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or the Finance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please see section titled "*Terms of the Issue-Trustees for the NCD Holders*" on page 377.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 19.
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on

	the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board of Directors or Finance Committee. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE or NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 pm on one Working Day after the Issue Closing Date For further details please refer to the chapter titled "Issue Related Information" on page 371.*

[%]While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

SPECIFIC TERMS FOR NCDs

As specified in the relevant Tranche Prospectus

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of the respective Tranche Prospectus.

Participation by any of the above-mentioned Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on Section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled "*Issue Procedure*" on page 392.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

The Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on June 6, 2020. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated November 12, 2018 up to an amount of ₹19,000 Crore.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, respective Tranche Prospectus(es), the abridged prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, NHB, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of first pari-passu/specified charge in favour of the Debenture Trustee on present and future receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of 100% of the outstanding principal amounts of the Secured NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Ranking of Unsecured NCDs

The Unsecured NCDs would constitute unsecured and subordinated obligations of the Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, if any, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company shall, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the Unsecured NCDs as Tier II Capital. The redemption of Unsecured NCDs is subject to the applicable RBI regulations and other statutory and regulatory requirements.

Security

The principal amount of the Secured NCDs to be issued in terms of the Draft Shelf Prospectus, the Shelf Prospectus and/or the relevant Tranche Prospectus(es) together with all interest due and payable on the Secured NCDs, thereof shall be secured by way of first pari-passu/specified charge in favour of the Debenture Trustee on present and future receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of 100% of the outstanding principal amounts of the Secured NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees, for ceding pari passu charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (**"Debenture Trust Deed"**) terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus(es), the respective Tranche Prospectus(es) and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any housing finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Fiscal 2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1000.

Trustees for the NCD Holders

Our Company has appointed Catalyst Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 1,200,000 (plus the applicable taxes) with service charge of ₹ 1,800,000 (plus the applicable taxes) for the services as agreed in the Consent Letter No. CL/MUM/2122/D^{EB}/104 dated May 28, 2021.

Terms of carrying out due diligence:

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 titled "*Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)*", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per DT regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the Debt Security is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

CATALYST TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED JUNE 17, 2021, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**

   A. **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**

   B. **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**

   C. **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**

   D. **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

   E. **ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM.**

   F. **ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Secured and/or Unsecured Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s);

(ii) default is committed in payment of any interest on the NCDs on the due date(s);

(iii) Default is committed in payment of any other amounts outstanding and such default continues for a period of 15 (fifteen) days;

(iv) Defaults in performance or compliance with one or more of its material obligations in relation to the NCDs and/or the Transaction Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy, is not remedied within 30 (thirty) days of written notice of such default being provided to the Company by the Debenture Trustee;

(v) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial covenants and conditions (other than the obligation to pay principal and interest) and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 (thirty) days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;

(vi) Any material indebtedness of the Company for funds raised or availed by the Company, that is, material indebtedness for and in respect of monies borrowed or raised by the Company (whether or not for cash consideration) by whatever means (including acceptance, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or if any such indebtedness is not paid at its stated maturity (in the reasonable opinion of the Debenture Trustee), or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the material indebtedness of borrowed monies of any person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;

(vii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

(viii) The Company is unable to or has admitted in writing its inability to pay its material debts as and when the same are due or it is certified by an accountant appointed by the Debenture Trustee that based on the examination of the financial condition of the Company by reason of the Company’s liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that the Company would be in a position to pay its obligations in connection with the NCDs;

(ix) If the Company is unable to pay its debts

(x) The Company ceases to carry on its business or gives notice of its intention to do so;

(xi) If the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing as per requirements of Applicable Laws; and

(xii) Any Security created pursuant to, or evidenced by, any Security Document ceases to ensure to the benefit of the Debenture Trustee.

In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on “Standardisation of procedure to be followed by Debenture Trustee(s) in case of ‘Default’ by Issuers of listed debt securities”, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “**ICA**”)/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of Secured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of the Company during business hours.

2. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Secured NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. The Depositories shall maintain the up to date record of holders of the Secured NCDs in dematerialised form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Secured NCDs maintained by a Depository for any Secured NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a register of Debenture Holders for this purpose.

6. A register of Debenture Holders holding Secured NCDs in physical form pursuant to rematerialisation of the Secured NCDs issued pursuant to this Issue ("**Register of Debenture Holder**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/redemption amounts and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders as on the Record Date.

7. Subject to compliance with RBI requirements, the Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD holders are merely indicative. The final rights of the Secured NCD holders will be as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus and the Debenture Trust Deed.

Rights of Unsecured NCD Holders

Some of the significant rights available to the Unsecured NCD Holders are as follows:

1. The Unsecured NCDs shall not, except as provided in the relevant provisions of the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the Unsecured NCD Holders thereof any rights or privileges available to our Shareholders including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Unsecured NCDs is to be placed before the Shareholders, the said resolution will first be placed before the concerned registered Unsecured NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the Unsecured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours.

2. Subject to applicable statutory / regulatory requirements, including requirements of the RBI, the NHB, the rights, privileges and conditions attached to the Unsecured NCDs may be varied, modified and/or abrogated with the consent in writing of the Unsecured NCD Holders representing at least three-fourths in value of the Unsecured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Unsecured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Unsecured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Unsecured NCD Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such Unsecured NCDs, either in person or by proxy, at any meeting of the concerned Unsecured NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Unsecured NCD Holders shall be in proportion to the outstanding nominal value of Unsecured NCDs held by him/her.

4. The Depositories shall maintain the up to date record of holders of the Unsecured NCDs in dematerialised form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Unsecured NCDs maintained by a Depository for any Unsecured NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a register of Debenture Holders for this purpose.

5. A register of Debenture Holders holding Unsecured NCDs in physical form pursuant to rematerialisation of the Unsecured NCDs issued pursuant to this Issue ("**Register of Debenture Holder**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/redemption amounts and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders as on the Record Date.

6. The Unsecured NCDs are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus, our Memorandum and Articles of Association, the terms of the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, the NHB and other applicable statutory and/or regulatory requirements relating to the Issue and listing, of securities and any other documents that may be executed in connection with the Unsecured NCDs.

7. Subject to compliance with applicable statutory requirements, the Unsecured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Unsecured NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Unsecured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Unsecured NCD Holders are merely indicative. The final rights of the Unsecured NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person (being an individual) who, with whom, in the event of the death of the sole holder of all the joint-holders, as the case may be, shall become entitled to NCDs. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder‘s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "*Issue Procedure*" beginning on page no. 392.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure – Interest*" on page 371 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company, the Board, any Committee of the Board or any other person authorised by the Board, in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialized form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only. NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest

As specified in the relevant Tranche Prospectus.

Basis of payment of Interest

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

Our Company may offer the facility of NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on *"Manner of Payment of Interest / Refund"* at page 386.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day, in accordance with the Working Day Convention. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "Issue Procedure" on page 392, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments:

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016, will be disclosed in the relevant Tranche Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put / Call Option

As specified in the relevant Tranche Prospectus.

Application Size

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) as specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Draft Shelf Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the Investors are advised to submit their bank account details with our Company / Registrar at least seven (7) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of Secured NCDs

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of Secured NCD ("**Market Lot**"). In case of Secured NCDs held under different Options, as specified in the relevant Tranche Prospectus, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

It is, however, distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Form and Denomination of Unsecured NCDs

In case of Unsecured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the Unsecured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one "Unsecured N"D ("**Market Lot**"). In case of Unsecured NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Unsecured NCDs held under each Option.

It is, however, distinctly to be understood that the Unsecured NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

Payment on Redemption

NCDs held in physical form on account of re-materialization:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our

Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to stipulated security cover being maintained and applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described in each relevant Tranche Prospectus and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deed(s) and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) Our Company shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) only upon execution of the documents for creation of security.

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the relevant Tranche Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations.

Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Listing

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on the BSE and NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [●] and NSE *vide* their letter dated [●]. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant Fiscals commencing from the Fiscals 2021-22, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company, subject to applicable law.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts.

*In addition, specific attention is invited to SEBI Circular SEBI/HO/DDHC/CIR/P/2020/233dated November 23, 2020 (**"Debt UPI Circular"**), whereby retail individual investor may use the Unified Payment Interface (**"UPI"**) to participate in the public issue for an amount up to INR 2, 00, 000 being conducted on or after January 01, 2021.*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value upto ₹ 2 Lac submitted through the app/web interface of the Stock Exchanges or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

Please note that this section has been prepared based on the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 ("Debt UPI Circular") and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("ASBA Circular"). The Stock Exchanges have issued Operational guidelines and circulars available at BSE: https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61; and for NSE at: https://www1.nseindia.com/content/circulars/IPO46907.zip; https://www1.nseindia.com/content/circulars/IPO46867.zip.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange.

Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Shelf Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Managers are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE(S) WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE(S). THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFTSHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE SYNDICATE MEMBERS/LEAD BROKERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e., period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Availability of Prospectus and Application Forms

The copies of the Draft Shelf Prospectus, Shelf Prospectus, Abridged Prospectus containing the salient features of the relevant Tranche Prospectus (for a particular Tranche Issue) together with Application Forms may be obtained from our Registered Office or Corporate Office, Lead Managers to the Issue, Lead Brokers/Syndicate Members, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf and Tranche Prospectus (for a particular Tranche Issue) and the Application Forms will be available for download on the websites of BSE at www.bseindia.com and NSE at www.nseindia.com. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange(s) i.e. BSE at www.bseindia.com and NSE at www.nseindia.com. Hyperlinks to the websites of the Stock Exchange(s) for this facility will be provided on the websites of the Lead Managers and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchanges. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders'.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all options of NCDs in the Issue

Category IV

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus together with Application Forms and copies of this Draft Shelf Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, on the website of NSE at www.nseindia.com and the website of the Lead Managers at www.edelweissfin.com, www.iiflcap.com, www.icicisecurities.com, www.trustgroup.in and ww.equirus.com

(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in the Issue can make Applications through the ASBA mechanism only.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except the Bid cum Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e., to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms (except a Bid cum Application Form from RIBs using the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained.

Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIBs using UPI Mechanism, submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the field for Payment Details in the Bid cum Application Form. Application Forms submitted by RIBs using UPI Mechanism to Designated Intermediary(other than SCSBs) with ASBA Account details, are liable to be rejected.

Further, such Bidders including RIBs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the Debt UPI Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

   a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

   b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

   c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. **Through Stock Exchanges**

   a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.

   b. The Stock Exchanges have extended their web-based platforms i.e 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 2 Lac. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.

   c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://www.nseindiaipo.com.

   d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications.

   e. For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchanges have issued operational guidelines and circulars available at BSE:
   https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and
   https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61;
   NSE: https://www1.nseindia.com/content/circulars/IPO46907.zip;
   https://www1.nseindia.com/content/circulars/IPO46867.zip.

Application Size

As specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund

(ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney ; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, a“ amended (the "**SEBI ”IF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and article of association / charter of constitution (ii) power of attorney (iii) board Resolution authorising investments; and (iv) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Lead Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

(a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
(b) Foreign nationals NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;;
(c) Persons resident outside India and other foreign entities;
(d) Foreign Institutional Investors;
(e) Foreign Portfolio Investors;
(f) Non Resident Indians;
(g) Qualified Foreign Investors;
(h) Overseas Corporate Bodies**;
(i) Foreign Venture Capital Funds; and

(j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

The Applicants shall specify the ASBA Account number in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant may submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism once the mandate request has been successfully accepted by the Applicant.

For ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the

Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

a) Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

b) The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.

c) The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

d) Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

f) Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

g) Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

h) The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

k) The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

l) The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm

n) The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p) The information containing status of block request (e.g. accepted / decline / pending) would so be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

q) The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

r) Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s) The allotment of debt securities shall be done as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.

t) The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u) Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v) Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w) Thereafter, Stock Exchange will issue the listing and trading approval.

The details of commission and processing fees payable to each intermediary along with timelines for payment shall be as mentioned in the relevant Tranche Prospectus.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and Tranche Prospectus with ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to ASBA Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

(b) Physically through the Lead Brokers, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities, i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Syndicate /Lead Brokers, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, has not named at least one branch at that Specified City for the Syndicate /Lead Brokers, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Upon receipt of the Application Form by the Syndicate /Lead Brokers, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Syndicate /Lead Brokers, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to the section titled "*Issue Related Information*" on page 371.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the abridged Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in the Tranche Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the ASBA Circular.
- Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the

Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID,Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants.

Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID, UPI ID and PAN, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

Unified Payments Interface (UPI)

SEBI has issued Debt UPI circular on November 23, 2020 with reference number SEBI/HO/DDHC/CIR/P/2020/233 in relation to streamlining the process of public issue of inter alia debt issues. Pursuant to the Debt UPI circular, the UPI Mechanism has been introduced and will become applicable for public debt issues being conducted on or after January 01, 2021 as a payment mechanism (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size and multiples as determined in the Tranche Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications (including the UPI ID, as applicable) uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Syndicate Members and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Syndicate Members and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus or the relevant Tranche Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;

4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants;

5. Ensure that you have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, as applicable) in the Application Form;

6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.

7. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

8. Bidders (other than RIBs bidding through the non-UPI Mechanism) should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

9. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Bid cum Application Form;

10. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;

11. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;

12. RIBs submitting a Bid cum Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of Stock Exchanges, as may be updated from time to time;

13. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI certified by NPCI;

14. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;

15. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.

16. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

17. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;

19. Ensure that the Applications are submitted to the Lead Managers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing

Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 371.

20. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;

21. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;

22. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

23. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

24. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

25. Tick the series of NCDs in the Application Form that you wish to apply for.

26. Check if you are eligible to Apply under ASBA;

27. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;

28. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;

29. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

30. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.

31. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

32. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;

33. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment; and

34. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

35. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

36. For RIBs using the UPI Mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

37. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB applying through UPI may be deemed to have verified the attachment containing the application details of the RIB applying through UPI in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

38. RIBs using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;

39. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;

2. Do not pay the Application Amount in cash, demand draft, cheque, by money order or by postal order or by stockinvest;

3. Do not send Application Forms by post; instead, submit the same to the Syndicate/Lead Brokers, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;

4. RIB applying through UPI should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

5. RIB applying through UPI should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

6. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;

7. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

8. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

9. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI Mechanism;

10. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

11. Do not submit an Application Form using UPI ID, if the Application is for an amount more than ₹2,00,000;

12. Do not submit the Application Forms without the full Application Amount;

13. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs using the UPI Mechanism;

14. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

15. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

16. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;

17. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;

18. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and

19. Do not make an application of the NCD on multiple copies taken of a single form.

20. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;

21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

22. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.

23. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and

24. Do not submit more than five Application Forms per ASBA Account.

25. Do not submit a Bid cum Application Form using a third party bank account or using third party linked bank account UPI ID (in case of in case of Bids submitted by RIBs using the UPI Mechanism)

26. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company or at a location other than the Bidding Centres. Provided that RIBs not using the UPI Mechanism should not submit Bid cum Application Forms with Designated Intermediaries (other than SCSBs).

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated December 17, 2012 and September 9, 2010 between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
(iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
(v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
(vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
(vii) The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 392.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;

- Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;

- Bids submitted by RIBs using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI/ Stock Exchanges, as may be updated from time to time;

- Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID, subject to availability of information from the Sponsor Bank;

- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;

- Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

- Applications where a registered address in India is not provided for the Applicant;

- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;

- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;

- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;

- Submission of more than one Bid cum Application Form for each UPI ID in case of Retail Individual Investors using the UPI Mechanism

- In case of Bids by Retail Individual Investors (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form linked to a third party bank account;

- The UPI Mandate Request is not approved by the Retail Individual Investor;

- DP ID and Client ID not mentioned in the Application Form;

- GIR number furnished instead of PAN;

- Applications by OCBs;

- Applications for an amount below the minimum application size;

- Submission of more than five ASBA Forms per ASBA Account;

- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- Applications accompanied by Stockinvest/ money order/ postal order/ cash;

- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.

- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.

- ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;

- Application Forms submitted to the Lead Managers, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Trading Members of the Stock Exchange, as the case may be;

- ASBA Applications not having details of the ASBA Account to be blocked;

- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;

- Inadequate funds in the ASBA Account to enable the SCSB or Sponsor Bank to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB or Sponsor Bank for blocking of funds;

- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

- Authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account not provided;

- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

- Applications by any person outside India;

- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

- Applications not uploaded on the online platform of the Stock Exchange;

- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft Shelf Prospectus and the relevant Tranche Prospectus;

- Applications by Applicants whose demat accounts have been suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010;

- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;

- ASBA Applications submitted to the Syndicate/Lead Brokers, or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to a Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;

- Investor Category not ticked; and/or

- Application Form accompanied with cheque.

- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

- Forms not uploaded on the electronic software of the Stock Exchange.

- Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account number.

Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see "*Information for Applicants*" on page 415.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants*: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *Applications received from Category II Applicants*: Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *Applications received from Category III Applicants*: Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *Applications received from Category IV Applicants*: Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of" doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

Basis of Allotment

As specified in the relevant Tranche Prospectus.

Allocation Ratio

As specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus.

Payment of Refunds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 (five) Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants can withdraw their ASBA Applications till the issue closure date by submitting a request for the same to the Syndicate/Lead Brokers, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription before the Issue Closing Date.

In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of the Issue have been given.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall below the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling below the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(S), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

- All monies received out of the Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.
- The allotment letter shall be issued or application money shall be refunded within 6 Working days from the closure of this the respective Tranche or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through the Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.
- Details of all unutilised monies out of the Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of the Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- Our Company shall utilize proceeds of the Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Draft Shelf Prospectus in "*Issue Structure*" on page 371.
- Proceeds of the Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

  Proceeds of the Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Listing

The NCDs proposed to be offered in pursuance of the Draft Shelf Prospectus, this Draft Shelf Prospectus and the relevant Tranche Prospectus will be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number [●] dated [●] and from NSE by way of its letter bearing reference number [●] dated [●]. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days from the respective Tranche Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

Our Company undertake that:

(a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

(b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e., six Working Days from the Issue Closing Date.;

(c) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws;

(d) the funds required for dispatch of allotment advice/ certificates by registered post/ speed post shall be made available to the Registrar to the Issue by our Company;

(e) we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus in the section titled "*Terms of the Issue*" on page 376 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchanges;

(f) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

(g) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

(h) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

(i) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Draft Shelf Prospectus; and

(j) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

(k) we shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same;

(l) we undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

(m) NCDs shall be considered as secured only if the charged assets are registered with the sub-registrar and RoC or CERSAI or Depositories, as applicable or is independently verifiable by the Debenture Trustee; the charge created on the Security shall be registered with the sub-registrar, RoC, CERSAI, Depositories, as applicable, within 30 days of creation of such charge;

SECTION VIII - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The key provisions of the Articles relating to issue of securities and matters incidental hereto have been set out below. Please note that each provision herein below is numbered as per the corresponding Articles. All other defined terms used herein shall have the meaning ascribed to such term in the Articles. Any reference to the term "**Article**" hereunder means the corresponding article forming part of the Articles.

1.	The Regulations contained in Table "F" in the Schedule I to the Companies Act, 2013, as are applicable to the public company limited by shares, shall apply to the company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table "F", the provisions of these articles shall prevail. The marginal notes used in these Articles shall not affect the construction thereof.		"Table F" to apply save as varied
2.	In the Interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or context thereof. **INTERPRETA"ION**		Definitions
i.	"The Act" means the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.		"The "Act"
ii.	"The Articles" means the Articles of Association as originally framed or as from time to time altered in accordance with the provisions of the Act.		

"The Articles"

iii.	"Board of Directors" or "The Board" means the collective body of the Directors of the Company"		"Board of Directors" or "The "Board"
iv.	"The Company" means IIFL Home Finance Limited.		"The Company"
v.	"The Director" means the Director appointed to the Board of the Company.		"The Director"
vi.	"The Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.		"The Managing Director"
vii.	"Shareholder" or "member" means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company has also one whose name is entered as a beneficial owner of the Shares in the records of a Depository.		" Shareholder " or "member"
viii.	"Seal" means the Common Seal of the Company, if any.		"Seal"
ix.	Words importing the singular number include the plural number and vice versa and words importing the masculine gender also include feminine gender. Words importing persons include Corporations.		"Singular"
	PUBLIC COMPANY		

3.	1) The Company is a public limited company as per Section 2(71) of the Companies Act, 2013, and accordingly: (a) is not a private company; (b) has a minimum paid-up share capital of five lakh rupee or such higher paid-up capital, as may be prescribed: **Provided** that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purpose of this Act even where such subsidiary company continues to be a private company in its article; c) The right to transfer Shares in the Company in the manner and to the extent hereinafter provided. d) Invitation shall be issued to the public to subscribe for any Securities of the Company.		"Public Company"
4.	When The Act and/or Rules are subsequently amended or clarifications/ circulars/ notifications/etc. issued, exempting a public company from compliance with any provisions of the Act and/or Rules, then notwithstanding anything contrary set out in these Articles, such exemptions shall extend to these Articles and the Company shall not be required to comply with any such provisions or may at the discretion of the Board apply to the extent and in a manner the Board deems fit from time to time, without requiring an amendment to these Articles.		Applicability of these Articles

SHARE CAPITAL AND VARIATION OF RIGHTS

5.	The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company with power to increase or reduce such capital from time to time in accordance with the Articles and Legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.		Share Capital
6.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par and at such time as they may from time to time think fit.		Shares under control of the Board
7.	The Company may issue the following kind of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (*a*) Equity share capital— (*i*) with voting rights; or (*ii*) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and (*b*) preference share capital:		Kind of Share Capital
8.	i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the register of transfer or transmission or within such other period as the conditions of issue provide: a. One certificate for all his shares without payment of any charges; or b. Several certificates, each for one or more of his shares, upon payment of twenty rupees or such other amount as may be fixed by the Board, for each certificate after the first. ii. In terms of the requirement of the Act and Rules made there under, every certificate will be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.		Issue of Certificate

	iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.		
9.	i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act, for each certificate ii. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.		Issue of new share certificate in place of one defaced, lost or destroyed Provisions as to issue of certificate to apply *mutatis mutandis* to debentures, etc.
10.	i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act. ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.		Variations of the members right Provisions as to general meetings to apply *mutatis mutandis* to each meeting
11.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.		Issue of further shares not to affect rights of existing members
12.	Subject to the provisions of the Act, any preference shares may, with the sanction of a special resolution, be issued or re issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by such special resolution, determine.		Power to issue redeemable preference shares

13.	i. The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to: a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or b. employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution. ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules		Further issue of share capital Mode of further issue of shares
14.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India, if applicable and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.		Sweat equity shares
15.	Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise.		Terms of issue of debentures
16.	Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law		Right of Directors to refuse sub-division
17.	Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the Company shall *mutatis mutandis* apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles.		Issue of certificates, if required, in the case of shares/debentures/ other securities and rights of beneficial owner of such shares/debentures/ other securities.

DEMATERIALISATION OF SECURITIES

18.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other		Company entitled to dematerialise its shares, debentures and other securities

	securities both in materialized and dematerialized form in any media as permitted by the Act.		
19.	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.		Option to hold shares in electronic or physical form

CALLS ON SHARES

20.	i.The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for payment of the last preceding call. ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. iii. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.		Board may make calls Notice of call Board may extend time for payment

TRANSFER & TRANSMISSION OF SHARES

21.	i. The instrument of transfer of any share in the Company which is in physical form shall be executed by or on behalf of both the transferor and transferee. ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.		Instrument of transfer to be executed by transferor and transferee
22.	The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures: Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board/ Committee that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board/ Committee may think fit: Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom		Transfer not to be registered except on production of instrument of transfer

	the right to any shares in, or debentures of, the Company has been transmitted by operation of law.		
23.	Subject to the provisions of the Act and Rules made there under, in case of shares held in physical form, the Board may, subject to the right of appeal conferred by the Act decline to register any transfer of shares on which the Company has a lien.		Board/ Committee may refuse to register transfer
24.	A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.		Transfer by legal representative
25.	Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice. For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch.		Transfer of partly paid shares
26.	In case of shares held in physical form, the Board/ Committee may decline to recognize any instrument of transfer unless: i. the instrument of transfer is in the form as prescribed in the Rules or under the Act, ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and iii. the instrument of transfer is in respect of only one class of shares.		Board may decline to recognize instrument of transfer
27.	If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.		Notice of refusal to be given to transferor and transferee
28.	No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.		No transfer to minor
29.	All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.		When transfers to be retained
30.	The Board/ Committee may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.		Fee on transfer

31.	The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.		Power to close Register of Members or other security-holders
32.	i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.		Title to shares on death of a member Estate of deceased member liable
33.	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.		Indemnity to the Company

FORFEITURE OF SHARES

34.	Regulation 28 to 34 of table F shall apply.		Forfeiture of Shares

BUY BACK OF SHARES

35.	Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as it may think necessary, subject to such approvals as required by the Act.		Buy-back of shares

GENERAL MEETINGS AND PROCEEDINGS AT GENERAL MEETINGS

36.	A General Meeting of the Company may be called by giving not less than clear 21 days' notice either in writing or through electronic mode in such manner as may be prescribed. The accidental omission to give any such notice or the non-receipt of any such notice by any of the members to whom it should be given shall not invalidate any resolution passed or proceeding held at any such meeting.		Notice of General Meeting
37.	i. The Board may, subject to the provisions of the Act and rules made there under, whenever it thinks fit, call an extraordinary general meeting. ii. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.		Powers of Board to call extraordinary general meeting
38.	i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.		Presence of Quorum Quorum for general meeting

39.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company. No business shall be discussed or transacted at any General Meeting whilst the chair is vacant, except election of Chairperson. If there is no such chairman, or if he is not present within 15 minutes after the time appointed for holding the meeting, or he is unwilling to act as chairperson of the meeting or in the absence of Chairman the Directors present shall elect one of their members to be chairman of the meeting.		Chairperson of the meetings
40.	The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.		Power of Chairperson
41.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.		Casting vote of Chairperson at general meeting
42.	i. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act & Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. ii. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting: a. is, or could reasonably be regarded, as defamatory of any person; or b. is irrelevant or immaterial to the proceedings; or c. is detrimental to the interests of the Company. ii. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. iii. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.		Minutes of proceedings of meetings and resolutions passed by postal ballot Discretion of the chairperson in relation to Minutes Minutes to be evidence
43.	i. The books containing the minutes of the proceedings of any general meeting of the Company, or a resolution passed by postal ballot shall be kept at the registered office of the Company or at any other place in line with the requirements of Companies Act, 2013 ii. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to above.		Inspection of minute books of general meeting Members may obtain copy of the minutes

ADJOURNMENT OF MEETING

44.	a. The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d. Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.		Chairperson may adjourn the meeting Business at adjourned meeting Notice of adjourned meeting Notice of adjourned meeting not required

VOTING RIGHTS

45.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— i. on a show of hands, every member present in person shall have one vote; and ii. on a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company.		Entitlement to vote on show of hands and on poll
46.	Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him;		Scrutinizers at poll

BOARD OF DIRECTORS

47.	Unless otherwise determined by the Company in general meeting and in line with the provisions of the Act, the number of Directors shall not be less than 3 (three) and shall not be more than 15(Fifteen). The following are the first Directors of the company : Shri Nirmal Jain Shri Rajamani Venkataraman Shri Mukesh Kumar Singh Shri R Mohan Shri Kapil Krishan		Board of directors
48.	Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments/securities to, any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies or any other body corporate ("Lender(s)") and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity shares in the Company as a result of conversion of such loans/debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint to appoint any person as a director pursuant to any agreement,(which Director or Directors is / are herein after referred to as "Nominee Director(s) / Observer(s)") on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions		Nominee Directors

	specified in the agreement executed with such Lender.		
49.	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to the provisions of the Act.		Same individual may be Chairperson and Managing Director / Chief Executive Officer
50.	i. The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. ii. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them— a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or b. in connection with the business of the company.		Remuneration to require members' consent Travelling and other expenses
51.	Subject to the provisions of the Act and Rules made there under, the fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors/ Committee from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.		
52.	i. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director subject to the provisions of the Act.		Appointment of Additional director Duration of the office of the additional director
53.	The Board may appoint an alternate director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.		Appointment of alternate director
54.	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.		Duration of office of alternate director
55.	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.		Re-appointment provision applicable to Original Director

56.	i. If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. ii. The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.		Appointment of director to fill casual vacancies Duration of office of Director appointed to fill casual vacancies

PROCEEDINGS OF BOARD

57.	i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit in compliance with the provisions of the Act and Rules made thereunder. ii. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson or any other senior official of the Company in case there is no Company Secretary shall, at any time summon a meeting of the Board.		When meeting to be convened Who may summon Board Meeting
58.	A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.		Frequency of Meetings
59.	Notice of every meeting of the Board of Directors of the Company shall be given to all the Directors in line with the requirements of Companies Act, 2013, as amended form time to time.		Notice
60.	The quorum for a Board meeting shall be as provided in the Act		Quorum
61.	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.		Participation at Board Meeting
62.	i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. ii. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.		Questions at Board meeting how decided Casting vote of Chairperson at Board meeting
63.	The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.		Directors not to act when number falls below minimum

64.	i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. ii. The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles. iii. The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co- Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles. iv. If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if at any meeting the Chairperson, Co-Chairperson and Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.		Who to preside at meetings of the Board. Directors to elect a Co – Chairperson Directors to elect a Vice Absence of Chairperson
65.	i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.		Delegation of powers Committee to conform to Board regulations
66.	i. A committee may elect a Chairperson of its meetings. ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.		Chairperson of Committee Who to preside at meetings. of Committee
67.	i. A committee may meet and adjourn as it thinks fit. ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.		Committee to meet Questions at Committee meeting how decided
68.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.		Acts of Board or Committee valid notwithstanding defect of appointment
69.	Save as otherwise expressly provided in the Act, a resolution in writing, approved by majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.		Passing of resolution by circulation

MANAGING DIRECTOR

70.	i. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules made thereunder, and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) as it may think fit, and a Director so appointed shall not, while holding that office, be subject to retirement by rotation. But his appointment shall be subject to determination ipso facto if he ceases from any case to be a Director of the Company & General Meeting resolve that his tenure of office of Managing Director/Whole time Director be determined. ii. A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.		Managing Director

STATUTORY REGISTERS

71.	The Company shall keep and maintain at its registered office all statutory registers, as applicable on the Company, including register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, in terms of the requirements of Companies Act, 2013, by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.		Statutory Registers

~~THE SEAL~~ Deleted***

72.	~~The Board shall provide a Common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu of the same, and the Board shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.~~ ~~Common Seal of the Company can also be carried to any territory, district or place within India for affixing on deed, documents etc. at the time of execution of documents as authorized by the Board/Committee from time to time.~~ ~~The Company shall also be at liberty to have an official seal in accordance with the provisions of the Act and Rules made thereunder, for use in any territory, district or place outside India.~~		~~Seal~~

WINDING UP

73	Subject to the provisions of Chapter XX of the Act and Rules there under— i. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.		Winding-up of the Company

	iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.		

INDEMNITY

74	Subject to the provisions of the Act, every Director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority.		Directors and officers right to Indemnity

GENERAL POWERS

75	Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.		General Power

SECRECY CLAUSE

76	Subject to the provisions of the Act, Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall observe strict secrecy in respect of all transaction of the Company with the customers and the state of accounts with individuals and in matters relating thereto and shall not reveal in the discharge of his duties except when required to do so by the Directors as such or by any meeting or by Court of law or by the person to whom such matters relate and except so for as may be necessary in order to comply with any of the provisions in these presents contained.		Secrecy Clause

Consolidation and Re-issuance of Debt Securities*

77	The Company may at any time consolidate, divide, sub-divide, cancel, convert, reconvert and re-issue any of its debt securities as it may deem fit from time to time		Consolidation and Re-issuance of Debt Securities

*Altered via special resolution passed in extra-ordinary general meeting dated September 22, 2017.
**Altered via special resolution passed in extra-ordinary general meeting dated March 28, 2018.
***Altered via special resolution passed in extra-ordinary general meeting dated August 6– 2018.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated June 16, 2021, between our Company and the Lead Managers.

2. Registrar Agreement dated June 16, 2021, between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated June 16, 2021, executed between our Company and the Debenture Trustee.

4. Tripartite agreement dated December 17, 2012, among our Company, the Registrar and CDSL.

5. Tripartite agreement dated September 9, 2010, among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated December 26, 2006, as a company limited by shares, issued by Registrar of Companies, Mumbai.

3. Fresh Certificate of Incorporation of our Company dated May 2, 2018, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Home Finance Limited.

4. Certificate of Registration dated September 14, 2018, bearing registration no. 09.0175.18 issued by the National Housing Bank; pursuant to the change of name of the Company to IIFL Home Finance Limited.

5. Copy of shareholders' resolution approved at the EGM dated November 12, 201©nder Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

6. Copy of the resolution approved by the Board of Directors dated June 6, 2020, approving the issue of NCDs.

7. Copy of the resolution approved by the Finance Committee at its meeting held on June 17, 2021, approving this Draft Shelf Prospectus.

8. Letter dated June 11, 2021, by CRISIL Ratings Limited assigning a rating of "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) for the Issue with rating rationale.

9. Letter dated June 11, 2021, by Brickwork Ratings Private Limited assigning a rating of 'BWR AA+/ Negative (Assigned)" (pronounced as BWR Double A plus with Negative outlook) for the Issue with rating rationale.

10. Consents of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary and Compliance Officer, Lead Managers, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to the Company, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Draft Shelf Prospectus, in their respective capacities and the NOCs received from Lenders to our Company.

11. Consent of CRISIL Limited dated June 14, 2021, as the agency issuing the industry report titled 'NBFC Report 2021' forming part of the Industry Overview chapter.

12. Consent of the Statutory Auditors of the Company, for inclusion of their name as an expert in respect of their (i) examination report dated June 15, 2021, on our Reformatted Financial Statements under Ind AS, (ii) Examination Report dated June 15, 2021, on our Reformatted Financial Statements under IGAAP, (iv) their report dated June 17, 2021 on the statement of tax benefits.

13. The examination report dated June 15, 2021, in relation to the Reformatted Financial Statements under Ind AS.

14. The examination report dated June 15, 2021, in relation to the Reformatted Financial Statements under IGAAP.

15. Statement of tax benefits dated June 17, 2021, issued by the Statutory Auditors.

16. Annual Report of our Company for the last five Fiscals.

17. In-principle listing approval from BSE by its letter no. [●] dated [●].

18. In-principle listing approval from NSE by its letter no. [●] dated [●].

19. Due Diligence Certificate dated [●] filed by the Lead Managers with SEBI.

20. Due Diligence Certificate dated June 17, 2021, from the Debenture Trustee to the Issue.

21. Business transfer agreement between the Company and IIFL Finance Limited dated June 29, 2019.

22. Trade License Agreement between the Company and IIFL Securities Limited dated April 12, 2021.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the legal requirements including relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India, National Housing Bank and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be, in connection with the Issue have been complied with and no statement made in Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are in compliance with all the applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of our Company

Name: Nirmal Jain
DIN: 00010535
Designation: Non-Executive Director

Name: R. Venkataraman
DIN: 00011919
Designation: Non-Executive Director

Name: Kranti Sinha
DIN: 00001643
Designation: Independent Director

Name: S Sridhar
DIN: 00004272
Designation: Chairman & Independent Director

Name: A. K. Purwar
*DIN:*00026383
Designation: Independent Director

Name: Monu Ratra
DIN: 07406284
Designation: Executive Director & CEO

Date: June 17, 2021
Place: Mumbai

ANNEXURE A

Ratings

CONFIDENTIAL

CRISIL
An S&P Global Company

RL/IDIFHF/272813/NCD/0621/11224/94573509
June 11, 2021

Mr. Monu Ratra
Executive Director & Ceo
IIFL Home Finance Limited
8th Floor Hubtown Solaris
N.S.Phadke Marg, Near East West Flyover
Andheri (E),
Mumbai City - 400069

Dear Mr. Monu Ratra,

Re: CRISIL Rating on the Rs. 5000 Crore Non Convertible Debentures* of IIFL Home Finance Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Malvika Bhotika

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

CRISIL

** Interchangeable between secured and subordinated debt, and it is for Retail Bond Issuance*

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crisil.com/ratings

Details of the Rs.5000 Crore Non Convertible Debentures of IIFL Home Finance Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings

CRISIL
An S&P Global Company

Rating Rationale

June 11, 2021 | Mumbai

IIFL Home Finance Limited

'CRISIL AA / Stable' assigned to Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.6000 Crore**
Long Term Rating	**CRISIL AA/Stable (Reaffirmed)**

Rs.5000 Crore Non Convertible Debentures&	**CRISIL AA/Stable (Assigned)**
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA r /Stable (Reaffirmed)**
Rs.200 Crore Principal Protected Market Linked Non-Convertible Subordinated Debentures	**CRISIL PPMLD AA r /Stable (Reaffirmed)**
Rs.5000 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.2152 Crore	**CRISIL AA/Stable (Reaffirmed)**

& Interchangeable between secured and subordinated debt, and it is for Retail Bond Issuance
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA/Stable'** rating to Rs 5000 crore non-convertible debentures (NCDs) of IIFL Home Finance Limited (IIFL Home; part of IIFL Finance group) and reaffirmed its ratings on other debt instruments and bank facilities of the company at 'CRISIL AA/CRISIL PP-MLD AAr/Stable/CRISIL A1+'.

In March 2021, CRISIL Ratings had revised the outlook on the ratings to 'Stable' from Negative driven by the improvement in collection efficiency [1](excluding foreclosures) resulting in the uptick in asset quality metrics being lower than previous expectations despite weak macro-economic environment. The outlook revision also factored in the improvement in fund raising of the company.

The overall ratings, continues to reflect the IIFL Finance group's diversified retail product offerings with majority of the portfolio towards inherently less risky asset classes, the extensive branch network and adequate capitalisation. These rating strengths are partially offset by limited seasoning of the loan portfolio.

As on March 31, 2021, 61% of the assets under management (AUM) is towards safer asset classes of gold loans and home loans; however, 14% of AUM is towards relatively riskier asset classes of unsecured business loans and real estate & developer finance. As on March 31, 2021, 5% of the AUM is towards unsecured business loans, wherein the company has seen inch up in delinquencies in fiscal 2021, with gross NPAs increasing to 10.9% as on March 31, 2021 from 5.2% as on March 31, 2020. While management has become cautious in lending towards this sector in the past few quarters, performance of this book over the next few quarters will be a monitorable. Further, around 10% of the AUM is towards real estate & developer finance, wherein borrowers are susceptible to an environment of prolonged liquidity tightness. IIFL Finance has provided temporary respite by extension of date of commencement of commercial operations (DCCO) for commercial real estate projects, which formed around 58% of the real estate & developer book as on March 31, 2021. Nevertheless, the management is planning to move the real estate book aggregating Rs 3,600 crore to an alternative investment fund (AIF) platform with investment by global marquee investors. While the detailed contours of the deal are yet to be closed, sale of the real estate book at a haircut could have an impact on the earnings profile of the company and will be a monitorable.

With gradual opening up of the economy, collection efficiency for the company has improved considerably to pre-pandemic levels from the lows of 30-35% in April 2020. On a segmental basis, for the month of March 2021, collection efficiency has improved to 98-100% for home loans, 85-90% for business loans, 90-95% for micro-finance segment and more than 100% in gold loans, indicating recoveries even from overdue accounts.

Gross non-performing assets (NPAs), on a reported basis, have improved to 2.14% as on March 31, 2020 from 2.31% as on March 31, 2020. Further, excluding the discontinued healthcare segment, gross NPAs stood at 1.98% as on March 31, 2021 (2.04% as on March 31, 2020). Even in terms of restructuring, IIFL Finance had implemented restructuring under Reserve Bank of India's (RBI) August 2020 Resolution Framework for COVID-19-related Stress and micro small and medium enterprises (MSME) restructuring scheme for accounts aggregating Rs 505 crore; 1.1% of AUM as on March 31, 2021 and was lower than earlier expectations. Additionally, RBI has extended the period for invocation for restructuring of the retail and MSME accounts till September 30, 2021 under its Resolution Framework - 2.0, implementation of the same will remain a monitorable. Going forward, with the onset of second wave of Covid-19 pandemic, ability of the company to manage collections and asset quality will remain a key monitorable.

On the resources front too, the company has been able to raise funds across instruments, supported partly by the various schemes announced by the Reserve Bank of India (RBI) and the Government of India (GoI). Further, there has been a significant pick-up in recent months with the company raising around Rs 23,792 crore in the fiscal 2021. Around 47% of this was in the form of securitisation/assignment of loans.

Adequate fund raising has also enabled IIFL Finance to grow its AUM in the last few quarters. Consequently, AUM grew by 18% year on year (YoY) to Rs 44,688 crore as on March 31, 2021 from Rs 37,951 crore a year ago; growth was higher than industry average during the period. With pickup in disbursements, especially towards higher yielding products like gold loans, there has been a substantial improvement in the earnings profile despite increased credit costs (2.4% for fiscal 2021; 1.1% for fiscal 2020) on account of write-offs and Covid-19 related provisions. IIFL Finance has reported return on managed assets (RoMA) of 1.6% for fiscal 2021, as against 1.2% for fiscal 2020. Nevertheless, ability to improve profitability from current levels will remain a monitorable.

---

[1] Collection efficiencies have been calculated as the proportion of actual collections (from billings for the month and overdues but excluding prepayments) during the month to scheduled collections/ billings for the month (this takes into account the dues from the book assuming there was no moratorium).

Analytical Approach

CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home Finance Ltd (IIFL Home) and Samasta Microfinance Ltd (Samasta). This is because all these entities, collectively referred to as the IIFL Finance group, have significant operational, financial, and managerial integration and also operate under a common brand. Further, CRISIL Ratings has also factored in the business synergies that IIFL Finance group will have with IIFL Wealth Management Ltd and IIFL Securities Ltd, given their common promoters and the shared brand.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Diversified retail lending portfolio with an extensive branch network**

  The IIFL Finance group, having consolidated assets under management (AUM) of Rs 44,688 crore as on March 31, 2021 (Rs 37,951 crore as on March 31, 2020; Rs 34,904 crore as on March 31, 2019), is primarily engaged in secured lending across various retail asset classes. IIFL Finance has two lending subsidiaries, IIFL Home and Samasta, which carry out the mortgage finance and microfinance businesses, respectively.

  Retail loans accounted for almost 90% of the AUM as on March 31, 2021, with a high level of granularity (loans of less than Rs 1 crore). Also, more than 40% of the portfolio qualifies under priority sector lending. The group had identified four key segments - home loans, business loans (including loan against property {LAP} and lending to micro small and medium enterprises—MSME), gold loans and microfinance, as key growth drivers over the medium term. These four segments form around 89% of the AUM as on March 31, 2021, up from 61% as on March 31, 2016. The group has also been operating in two synergistic segments - construction & developer funding and capital market lending. A substantial part of developer funding book is proposed to be transferred to an alternative investment fund. Capital market lending will largely focus on the retail clients of IIFL Securities. In-line with the strategy to focus on select segments, the group discontinued medical equipment financing from fiscal 2018, and also sold its commercial vehicle (CV) finance portfolio in fiscal 2019.

  As of March 31, 2021, the IIFL Finance group had a wide network of 2,563 branches spread across 25 states. The group has invested substantially in technology to effectively benefit from its geographical reach. Going forward, the group plans to leverage business synergies with other IIFL entities for cross-selling of financial products (such as insurance and mutual funds) and retail loan products, given the already established branch and distribution platform.

  On a standalone level, IIFL Finance had an AUM of Rs 19,199 crore as on March 31, 2021 (Rs 16,057 crore as on March 31, 2020) primarily towards gold loans (68%), business loans (11%) and developer and construction finance (18%).

  IIFL Home had an AUM of Rs 20,694 crore as on March 31, 2021 (Rs 18,495 crore as on March 31, 2020) largely toward home loans (70%), followed by LAP (26%) and construction finance (4%).

  Samasta had an AUM of Rs 4796 crore as on March 31, 2021 (Rs 3,400 crore as on March 31, 2020).

- **Adequate capitalisation**

  The IIFL Finance group is adequately capitalised, with a consolidated networth of around Rs 5,393 crore as on March 31, 2021 (Rs 4,766 crore as on March 31, 2020). Networth coverage for net non-performing assets (NPAs) was comfortable at around 16 times as on March 31, 2021 (17 times as on March 31, 2020). On-book gearing as on same date was adequate at around 5.3 times; however, CRISIL Ratings–adjusted gearing (on-book borrowings + securitization/assignment) was higher at around 8.0 times. Nevertheless, the group has demonstrated its ability to raise capital from long-term marquee investors such as Fairfax and the CDC group (Rs 1000 crore raised from CDC in fiscal 2017). Also, the company has recently raised subordinated bonds to boost capitalization levels. Given the growth plans, capitalisation should remain adequate for the current scale of operations. However, the ability to raise capital and manage leverage levels over the medium term will be an important factor.

  As on March 31, 2021, IIFL Finance (standalone) had a net worth and CRISIL Ratings- adjusted gearing stood at Rs 3,821 crore and 5.5 times, respectively. It had a Tier-I capital adequacy ratio (CAR) and overall CAR of 17.5% and 25.4%, respectively, as on same date. Networth coverage for net NPAs was around 27 times.

As on March 31, 2021, IIFL Home had a networth and CRISIL Ratings- adjusted gearing of Rs 2,164 crore and 8.6 times, respectively. Its Tier-I and overall CAR stood at 19.61% and 22.98%, respectively, as on same date. Networth coverage for net NPAs was around 12 times.

As on March 31, 2021, Samasta's net worth and CRISIL Ratings-adjusted gearing stood at Rs 649 crore and 6.3 times, respectively. Tier-I and overall CAR were 15.1% and 18.5%, respectively, as on same date.

Weakness:

- **Limited seasoning of some of the asset classes like home loans and MSME loans**
  IIFL Finance group's loan portfolio (excluding CV finance) has recorded a three-year compound annual growth rate of around 18%. Given the scale up of the loan book in recent years and entry into newer segments, the portfolio remains unseasoned and hence, overall asset quality is yet to be tested through cycles. While certain products have a shorter tenure, and hence, have seen a complete cycle, home loans and MSME lending have limited seasoning so far. Home loans are long tenure products and MSME lending is a recent addition to the product suite. Reported gross NPAs and net NPAs stood at 2.14% and 0.97%, respectively, as on March 31, 2021 (2.31% and 0.97%, respectively, as on March 31, 2020). However, excluding the discontinued healthcare finance business, gross NPAs and Net NPAs stood at 1.98% and 0.89% as on March 31, 2021(2.04% and 0.82%, respectively, as on March 31, 2020). Also, while increasing focus on small-ticket retail loans will benefit the inherent asset quality over the medium term, ability to underwrite and maintain strong credit practices across asset classes, amid stiff competition from established players, remains to be seen.

  NPAs in the wholesale book declined, supported partly by write-offs, to 1.1% as on March 31, 2021, from 3.8% as on March 31, 2020. Nevertheless, the share of wholesale lending has come down over the past few years (10% of the overall AUM as on March 31, 2021). Further, IIFL Finance plans to transfer a significant proportion of the wholesale lending, primarily large ticket RE loans, to an AIF platform in the near term. Given the current macro environment, asset quality on exposures such as developer loans and large ticket LAP would be a key monitorable for all lenders, including IIFL Finance.

  While retail asset quality has remained under control in the past, it could witness an increase in delinquencies across segments post the onset of the second wave of Covid-19 which had impacted the cash flows of the underlying borrowers. Any sharp deterioration in asset quality, will also impact profitability and capital, and remains a key rating monitorable.

  Gross NPA of IIFL Finance (standalone), IIFL Home and Samasta stood at 2.4%, 2.0% and 1.8%, respectively, as on March 31, 2021 (3.1%, 1.6% and 1.5%, respectively, as on March 31, 2020).

Liquidity: Strong

The asset liability maturity (ALM) profile of IIFL Finance shows that liquidity position, on a consolidated basis, is adequate, with positive cumulative mismatches in most of the buckets up to one year as of March 2021. The housing finance business, however, has mismatches, given the relatively long tenure of its assets, vis-a-vis its borrowings. The mismatches are, nevertheless, efficiently managed, through unutilised bank lines. Commercial paper borrowings were nil as on March 31, 2021.

As on April 30, 2021, IIFL Finance (consolidated) had a liquidity cushion of Rs 2,144 crore (Rs 1,812 crore of cash and equivalents and Rs 332 crore of unutilized bank lines including securitization lines). Against this, it has total debt obligations of Rs 1,702 crore over the three months through August 2021. Further, the company has additional funding under pipeline aggregating ~Rs 3,500 crore in the current quarter.

The group has raised around Rs 23,793 crore in fiscal 2021, via NCDs (including retail issuances), bank funding and securitisation.

Outlook: Stable

CRISIL Ratings believe that IIFL Finance will maintain its diversified product offerings and adequate capitalisation levels. Also, CRISIL Ratings expects collection efficiency and thereby asset quality metrics to remain under control in the near to medium term

Rating Sensitivity factors

Upward Factors:

- Significant improvement in market position while improving asset quality
- Improvement in profitability, with return on managed assets (RoMA) beyond 3.0% on a sustained basis

Downward Factors:

- Deterioration in the asset quality, with GNPA increasing to above 5% over an extended period, thereby impacting profitability
- Weakening of capitalisation metrics with higher than expected gearing on a sustained basis
- Continued funding access challenges for non-banking sector with limited fund-raising by IIFL Finance Group and reduction in liquidity levels
- Drop in collections metrics and delay in achieving pre-pandemic levels

About IIFL Home Finance

IIFL Home is a wholly owned subsidiary of India Infoline Finance and is registered with National Housing Bank (NHB) as a housing finance company (HFC). The company primarily offers low ticket home loans, LAP and corporate mortgage loans (lower ticket developer funding).

CRISIL has also analysed the standalone financials of IIFL Home. As of March 31, 2021, the company had an AUM of Rs 20,694 crore (Rs 18,495 crore as on March 31, 2021). The company had a networth of Rs 2,146 crore as on March 31, 2021

(Rs 1,800 crore as of March 31, 2020). It reported a total income (net of interest expense) of Rs 1,014 crore and profit after tax (PAT) of Rs 401 crore in fiscal 2021 (Rs 716 crore and Rs 245 crore, respectively, in fiscal 2020).

About IIFL Finance

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking non-banking financial company (NBFC). The group offers various retail lending products, including gold loans, home loans, LAP, business loans, microfinance and capital market based lending (margin funding and loans against shares). It also offers construction and developer finance.

In fiscal 2008, IIFL Finance (erstwhile IIFL Holdings Limited) launched its retail finance business through the NBFC, Moneyline Credit Ltd, which was merged with India Infoline Finance Ltd. In fiscal 2009, India Infoline Housing Finance Ltd received registration as a housing finance company from the National Housing Bank and was subsequently renamed as IIFL Home Finance Limited. In fiscal 2017, IIFL Finance ventured into microfinance after the acquisition of micro lender Samasta Microfinance.

In January 2018, IIFL Finance announced plans to reorganise its corporate structure, and list IIFL Finance (loans and mortgages business), IIFL Wealth Management Limited (wealth and asset management business), and IIFL Securities Limited (capital markets and other businesses). As part of the restructuring scheme, IIFL Wealth Management Limited and IIFL Securities Limited were demerged from IIFL Finance in May 2019 and were listed in September 2019. In March 2020, India Infoline Finance Ltd was merged into IIFL Finance, the listed entity of the lending business.

As of March 31, 2021, promoters held 24.98% stake in IIFL Finance, while 29.86% is held by Prem Watsa controlled Fairfax Holdings and 15.46% by CDC Group PLC.

CRISIL Ratings has also analysed the standalone financials of IIFL Finance. The company reported a total income (net of interest expenses) and profit after tax (PAT) of Rs 1,881 crore and Rs 343 crore, respectively, in fiscal 2021, against Rs 1,385 crore and Rs 149 crore, respectively, in the previous fiscal.

IIFL Finance (consolidated) had total income (net of interest expenses) and PAT of Rs 3,364 crore and Rs 761 crore, respectively, in fiscal 2021 as against a total income (net of interest expenses) and PAT of Rs 2,521 crore and Rs 503 crore, respectively, in fiscal 2020.

Key Financial Indicators: IIFL Finance (consolidated; CRISIL Ratings adjusted numbers)

As on / for the period ended		March 2021	March 2020
Total Assets	Rs crore	40,667	34341
Total income (net of interest expenses)	Rs crore	3,364	2,521
Profit after tax	Rs crore	761	503
Gross NPA	%	2.14	2.31
Return on managed assets	%	1.6	1.2
Gearing	Times	5.3	5.2
Adjusted gearing	Times	8.0	7.7

IIFL Home Finance (standalone; CRISIL Ratings adjusted numbers)

As on / for the period ended		March 2021	March 2020
Total income (net of interest expenses)	Rs crore	1,014	716
Profit after tax	Rs crore	401	245
Gross NPA	%	2.0	1.6
Adjusted gearing	Times	8.6	9.9

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Levels	Outstanding rating with Outlook
NA	Commercial Paper	NA	NA	7-365 days	5000	Simple	CRISIL A1+
INE477L07883	Debentures/Bonds	24-Jul-18	9.35%	26-Jul-21	219	Simple	CRISIL AA/Stable
INE477L07891	Debentures/Bonds	24-Jul-18	9.35%	15-Jul-21	24	Simple	CRISIL AA/Stable
INE477L07909	Debentures/Bonds	24-Jul-18	9.38%	24-Jan-22	50	Simple	CRISIL AA/Stable
INE477L07883	Debentures/Bonds	08-Aug-18	9.35%	26-Jul-21	16.06	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	29-Aug-18	9.35%	11-Aug-21	69	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	31-Aug-18	9.35%	11-Aug-21	5	Simple	CRISIL AA/Stable

INE477L07941	Debentures/Bonds	17-Sep-18	9.45%	04-Apr-22	24	Simple	CRISIL AA/Stable
INE477L07958	Debentures/Bonds	25-Sep-18	9.55%	29-Sep-22	58	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	12-Oct-18	10.20%	11-Aug-21	19.78	Simple	CRISIL AA/Stable
INE477L07966	Debentures/Bonds	12-Oct-18	10.20%	26-Oct-21	10	Simple	CRISIL AA/Stable
INE477L07982	Debentures/Bonds	20-Dec-18	10.33%	19-Dec-25	15	Simple	CRISIL AA/Stable
INE477L07AA6	Debentures/Bonds	20-Mar-19	10.05%	20-Mar-26	15	Simple	CRISIL AA/Stable
INE477L08121	Debentures/Bonds	13-Jul-18	9.85%	13-Jul-28	30	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	29-Aug-18	9.35%	11-Aug-21	5	Simple	CRISIL AA/Stable
INE477L07AD0	Debentures/Bonds	03-Oct-19	9.18%	03-Oct-29	300	Simple	CRISIL AA/Stable
INE477L07AE8	Debentures/Bonds	19-Aug-20	8.00%	18-Feb-22	100	Simple	CRISIL AA/Stable
INE477L07AE8	Debentures/Bonds	19-Aug-20	8.00%	18-Feb-22	25	Simple	CRISIL AA/Stable
INE477L07AF5	Debentures/Bonds	12-Nov-20	8.69%	12-Nov-30	300	Simple	CRISIL AA/Stable
INE477L07AG3	Debentures/Bonds	11-Feb-21	8.60%	11-Feb-28	18	Simple	CRISIL AA/Stable
INE477L07AH1	Debentures/Bonds	12-Mar-21	8.62%	12-Mar-28	19	Simple	CRISIL AA/Stable
NA	Debentures/Bonds*	NA	NA	NA	758.14	Simple	CRISIL AA/Stable
INE477L07AI9	Debentures/Bonds	16-Apr-21	8.70%	16-Apr-29	36.019	Simple	CRISIL AA/Stable
INE477L07AJ7	Debentures/Bonds	14-May-21	8.70%	14-May-30	36	Simple	CRISIL AA/Stable
INE477L07933	Long Term Principal Protected Market Linked Debentures	06-Sep-18	9.35%	21-Apr-22	115	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L07990	Long Term Principal Protected Market Linked Debentures	24-Jan-19	9.12%	25-Apr-24	30	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L07990	Long Term Principal Protected Market Linked Debentures	04-Feb-19	10.30%	25-Apr-24	20.19	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L07AB4	Long Term Principal Protected Market Linked Debentures	28-Mar-19	10.30%	27-Jun-24	20	Highly Complex	CRISIL PP-MLD AAr/Stable
NA	Long Term Principal Protected Market Linked Debentures*	NA	NA	NA	114.81	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L08139	Principal Protected Market Linked Non-Convertible Subordinated Debentures	14-Aug-18	9.40%	11-Aug-28	100	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L08139	Principal Protected Market Linked Non-Convertible Subordinated Debentures	11-Sep-18	9.40%	11-Aug-28	18.43	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L08139	Principal Protected Market Linked Non-Convertible Subordinated Debentures	28-Sep-18	9.40%	11-Aug-28	8.09	Highly Complex	CRISIL PP-MLD AAr/Stable
NA	Principal Protected Market Linked Non-Convertible Subordinated Debentures*	NA	NA	NA	73.48	Highly Complex	CRISIL PP-MLD AAr/Stable
NA	Term loan 1 (PNB - eOBC)	03-May-18	NA	03-May-23	165.97	NA	CRISIL AA/Stable
NA	Term loan 2 (BoI)	29-Jun-18	NA	29-Jun-	166.62	NA	CRISIL AA/Stable

				23			
NA	Term loan 3 (RBL)	02-Nov-18	NA	01-May-21	100	NA	CRISIL AA/Stable
NA	Term loan 4 (PNB - eOBC)	19-Sep-18	NA	17-Sep-23	182.92	NA	CRISIL AA/Stable
NA	Term loan 5 (BoM)	26-Mar-19	NA	25-Mar-21	131.24	NA	CRISIL AA/Stable
NA	Term loan 6 (PNB - eUBI)	28-Mar-19	NA	27-Mar-24	200	NA	CRISIL AA/Stable
NA	Term loan 7 (BoI)	27-Dec-19	NA	26-Dec-25	500	NA	CRISIL AA/Stable
NA	Term Loan 8 (Union - eCorporation)	30-Dec-19	NA	30-Dec-24	79.87	NA	CRISIL AA/Stable
NA	Term Loan 9 (Canara - eSyndicate)	23-Sep-19	NA	23-Dec-26	278.57	NA	CRISIL AA/Stable
NA	Term Loan 10 (Canara - eSyndicate)	28-Aug-19	NA	27-May-23	171.43	NA	CRISIL AA/Stable
NA	Term loan 11 (P&SB)	31-Dec-19	NA	30-Dec-27	100	NA	CRISIL AA/Stable
NA	Term loan 12 (Axis Bank)	29-Jun-18	NA	29-Dec-21	33.33	NA	CRISIL AA/Stable
NA	Term loan 13 (PNB)	29-Jun-18	NA	25-Jun-23	62.08	NA	CRISIL AA/Stable
NA	Term loan 14 (SBI)	24-Sep-18	NA	23-Sep-23	750	NA	CRISIL AA/Stable
NA	Term loan 15 (Kotak)	26-Mar-18	NA	26-Mar-22	17.86	NA	CRISIL AA/Stable
NA	Term Loan 16 (CBI)	22-Dec-20	NA	31-Dec-30	250	NA	CRISIL AA/Stable
NA	Term Loan 17 (Indian - eAllahabad)	31-Mar-20	NA	31-Mar-25	70.8	NA	CRISIL AA/Stable
NA	Term Loan 18 (Canara)	12-Nov-20	NA	12-May-30	500	NA	CRISIL AA/Stable
NA	Term Loan 19 (Karnataka)	31-Dec-20	NA	30-Oct-23	100	NA	CRISIL AA/Stable
NA	Term Loan 20 (LIC Housing)	31-Oct-20	NA	01-Nov-30	400	NA	CRISIL AA/Stable
NA	Term Loan 21 (P&SB)	22-Mar-21	NA	22-Mar-28	200	NA	CRISIL AA/Stable
NA	Term Loan 22 (LIC Housing)	NA	NA	NA	500	NA	CRISIL AA/Stable
NA	Term Loan 23 (Indian)	NA	NA	NA	400	NA	CRISIL AA/Stable
NA	Cash Credit (IDFC FIRST)	NA	NA	NA	25	NA	CRISIL AA/Stable
NA	External Commercial Borrowings# (SBI)	27-Sep-18	NA	26-Sep-23	363.08	NA	CRISIL AA/Stable
NA	Proposed Long Term Bank Facility	NA	NA	NA	251.22	NA	CRISIL AA/Stable
NA	Non-Convertible Debentures^*	NA	NA	NA	5000	NA	CRISIL AA/Stable

#Equivalent to USD 50 million
^Interchangeable between secured and subordinated debt, and it is for Retail Bond Issuance
*Not yet issued

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
IIFL Finance Limited	Parent	IIFL Finance Limited
IIFL Home Finance Limited	Subsidiary	IIFL Home Finance Limited
Samasta Micro Finance Limited	Subsidiary	Samasta Micro Finance Limited
Clara Developers Private Limited	Subsidiary	Clara Developers Private Limited

Annexure - Rating History for last 3 Years

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating

Fund Based Facilities	LT	6000.0	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	26-06-20	CRISIL AA/Negative	20-08-19	CRISIL AA/Stable	28-12-18	CRISIL AA/Stable	--
			--		--	18-04-20	CRISIL AA/Stable		--	15-11-18	CRISIL AA/Stable	--
			--		--	18-03-20	CRISIL AA/Stable		--	03-09-18	CRISIL AA/Stable	--
			--		--	31-01-20	CRISIL AA/Stable		--	14-08-18	CRISIL AA/Stable	--
			--		--		--		--	13-08-18	CRISIL AA/Stable	--
			--		--		--		--	19-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	12-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	06-07-18	CRISIL AA/Watch Developing	--
Commercial Paper	ST	5000.0	CRISIL A1+	31-03-21	CRISIL A1+	26-06-20	CRISIL A1+	20-08-19	CRISIL A1+	28-12-18	CRISIL A1+	--
			--		--	18-04-20	CRISIL A1+		--	15-11-18	CRISIL A1+	--
			--		--	18-03-20	CRISIL A1+		--	03-09-18	CRISIL A1+	--
			--		--	31-01-20	CRISIL A1+		--	14-08-18	CRISIL A1+	--
			--		--		--		--	13-08-18	CRISIL A1+	--
			--		--		--		--	19-07-18	CRISIL A1+	--
			--		--		--		--	12-07-18	CRISIL A1+	--
			--		--		--		--	06-07-18	CRISIL A1+	--
			--		--		--		--	20-06-18	CRISIL A1+	--
Non Convertible Debentures	LT	7152.0	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	26-06-20	CRISIL AA/Negative	20-08-19	CRISIL AA/Stable	28-12-18	CRISIL AA/Stable	CRISIL AA/Stable
			--		--	18-04-20	CRISIL AA/Stable		--	15-11-18	CRISIL AA/Stable	--
			--		--	18-03-20	CRISIL AA/Stable		--	03-09-18	CRISIL AA/Stable	--
			--		--	31-01-20	CRISIL AA/Stable		--	14-08-18	CRISIL AA/Stable	--
			--		--		--		--	13-08-18	CRISIL AA/Stable	--
			--		--		--		--	19-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	12-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	06-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	20-06-18	CRISIL AA/Watch Developing	--
			--		--		--		--	10-05-18	CRISIL AA/Watch Developing	--
			--		--		--		--	09-02-18	CRISIL AA/Watch Developing	--
Short Term Debt (Including Commercial Paper)	ST		--		--		--		--	10-05-18	CRISIL A1+	CRISIL A1+
			--		--		--		--	09-02-18	CRISIL A1+	--
Subordinated Debt	LT		--		--	26-06-20	CRISIL AA/Negative	20-08-19	CRISIL AA/Stable	28-12-18	CRISIL AA/Stable	--
			--		--	18-04-20	CRISIL AA/Stable		--	15-11-18	CRISIL AA/Stable	--
			--		--	18-03-20	CRISIL AA/Stable		--	03-09-18	CRISIL AA/Stable	--

			--		--	31-01-20	CRISIL AA/Stable		--	14-08-18	CRISIL AA/Stable	--
			--		--		--		--	13-08-18	CRISIL AA/Stable	--
			--		--		--		--	19-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	12-07-18	CRISIL AA/Watch Developing	--
Long Term Principal Protected Market Linked Debentures	LT	300.0	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	26-06-20	CRISIL PPMLD AA r /Negative	20-08-19	CRISIL PPMLD AA r /Stable	28-12-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-04-20	CRISIL PPMLD AA r /Stable		--	15-11-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-03-20	CRISIL PPMLD AA r /Stable		--	03-09-18	CRISIL PPMLD AA r /Stable	--
			--		--	31-01-20	CRISIL PPMLD AA r /Stable		--		--	--
Principal Protected Market Linked Non-Convertible Subordinated Debentures	LT	200.0	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	26-06-20	CRISIL PPMLD AA r /Negative	20-08-19	CRISIL PPMLD AA r /Stable	28-12-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-04-20	CRISIL PPMLD AA r /Stable		--	15-11-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-03-20	CRISIL PPMLD AA r /Stable		--	03-09-18	CRISIL PPMLD AA r /Stable	--
			--		--	31-01-20	CRISIL PPMLD AA r /Stable		--	14-08-18	CRISIL PPMLD AA r /Stable	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Cash Credit	**25**	**CRISIL AA/Stable**	**Cash Credit**	**25**	**CRISIL AA/Stable**
External Commercial Borrowings	**363.08**	**CRISIL AA/Stable**	**External Commercial Borrowings**	**363.08**	**CRISIL AA/Stable**
Proposed Long Term Bank Loan Facility	**251.22**	**CRISIL AA/Stable**	**Proposed Long Term Bank Loan Facility**	**251.22**	**CRISIL AA/Stable**
Term Loan	**5360.7**	**CRISIL AA/Stable**	**Term Loan**	**5360.7**	**CRISIL AA/Stable**
Total	**6000**	**-**	**Total**	**6000**	**-**

Criteria Details

Links to related criteria
[CRISILs Bank Loan Ratings - process, scale and default recognition]
[Rating Criteria for Finance Companies]
[CRISILs Criteria for rating short term debt]
[CRISILs Criteria for Consolidation]
[CRISILs Bank Loan Ratings]

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations **CRISIL Limited**	Krishnan Sitaraman Senior Director and Deputy Chief Ratings Officer	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301

D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com **Naireen Ahmed** Media Relations **CRISIL Limited** D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com	**CRISIL Ratings Limited** D:+91 22 3342 8070 krishnan.sitaraman@crisil.com Subhasri Narayanan Director **CRISIL Ratings Limited** D:+91 22 3342 3403 subhasri.narayanan@crisil.com Jitin Vohra Senior Rating Analyst **CRISIL Ratings Limited** D:+91 22 3342 3894 Jitin.Vohra@crisil.com	For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ("CRISIL Ratings") is a wholly-owned subsidiary of CRISIL Limited ("CRISIL"). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011 to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratiings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: www.crisil.com/ratings/credit-rating-scale.html

ANNEXURE B

Brickwork Ratings India Pvt. Ltd.
Ground floor, Building No - S 14, Solitaire
Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

BWR/NCD/MUM/CRC/RAM/0089/2021-22 **11 June 2021**

Mr. Govind Modani,
Treasurer
IIFL Home Finance Limited
802, 8th Floor, Hubtown Solaris,
Prof. N. S. Phadke Road, Vijay Nagar,
Andheri - East, Mumbai - 400069

Dear Sir,

Sub: Assignment of rating to **IIFL Home Finance Limited's** NCDs of Rs.5,000 Crs (Rupees Five Thousand Crores Only) and review of rating of various NCDs amounting to Rs.360 Crs (Rupees Three Hundred and Sixty Crores Only)

Thank you for giving us an opportunity to undertake the rating of proposed NCD issuance of Rs.5,000 Crs. On review of **IIFL Home Finance Limited's** performance based on the information and clarifications provided by your Company as well as information available in the public sources, we inform you that the rating of IIFL Home Finance Limited's various debt instruments is as mentioned in the table below:

Instrument**	Amount (Rs Crs)		Tenure	Rating*	
	Previous	Present		Previous (06 April 2021)	Present
Non-convertible Debentures^	--	5,000	Long Term	--	BWR AA+/ Negative (Assigned)
Unsecured Subordinated Non-convertible Debentures	100.00	100.00	Long Term	BWR AA+/ Negative	BWR AA+/ Negative (Reaffirmed)
Subordinated Non-convertible Debentures	235.00	235.00			
Secured Non-convertible Debentures	25.00	25.00			
Total	**360.00**	**5,360.00**	**Rupees Five Thousand Three Hundred Sixty Crores Only**		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
** ISIN details of NCDs are provided in Annexure-I

^ Public Issue (Retail); Interchangeable between secured & subordinated NCDs

Instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Rating letter validity is twelve months from the date of this letter and is subject to terms and conditions that were agreed in your mandate dated 14 Mar 2019, BWR letter BWR/NCD/MUM/CRC/RAM/0627/2020-21 dated 31 March 2021 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended below. Brickwork would conduct surveillance every year till maturity/ redemption of the instruments. You are required to submit information for the purpose of surveillance/review. Please note that Brickwork Ratings would need to be kept informed of any significant information/ development that may affect your Company's finances/ performance without any delay. You are also requested to provide No Default Statement on a monthly basis.

Brickwork Ratings India Pvt. Ltd.
Ground floor, Building No - S 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

Please acknowledge.

Best Regards,

Ramya Muraledharan
Director - Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Brickwork Ratings India Pvt. Ltd.
Ground floor, Building No - S 14, Solitaire
Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

IIFL Home Finance Limited

ANNEXURE I - INSTRUMENT (ISIN) DETAILS

Instrument	Issue Date	Amount Raised in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
Subordinated NCD	21-Jan-16	10.00	9.30%	25-Jan-22	INE477L08055
Subordinated NCD	12-Feb-16	10.00	9.30%	11-Feb-22	INE477L08063
Subordinated NCD	30-May-16	15.00	9.30%	29-May-23	INE477L08071
Subordinated NCD	27-Jul-17	75.00	8.85%	27-Jul-27	INE477L08089
Subordinated NCD	27-Jul-17	100.00	8.93%	14-Apr-23	INE477L08097
Subordinated NCD	28-Feb-18	10.00	9.05%	28-Feb-28	INE477L08105
Subordinated NCD	18-Jun-18	40.00	9.85%	16-Jun-28	INE477L08113
Subordinated NCD	13-Jul-18	20.00	9.85%	13-Jul-28	INE477L08121
Subordinated NCD	13-Jul-18	10.00	9.85%	13-Jul-28	INE477L08121
Secured NCD	20-Mar-19	15.00	10.05%	20-Mar-26	INE477L07AA6
Proposed NCD	-	5,055.00	Yet to be raised		
Total		**5,360.00**			

RATING RATIONALE

11 June 2021

IIFL Home Finance Limited

Brickwork Ratings assigns rating to proposed NCDs of Rs.5,000 Crs and reaffirms ratings of existing Non-Convertible Debentures of IIFL Home Finance Limited.

Particulars:

Instrument**	Amount (Rs Crs)		Tenure	Rating*	
	Previous	Present		Previous (06 April 2021)	Present
Non-convertible Debentures - Proposed ^	--	**5,000.00**	Long Term	--	**BWR AA+/ Negative (Assigned)**
Unsecured Subordinated Non-convertible Debentures	100.00	**100.00**	Long Term	BWR AA+/ Negative	**BWR AA+/ Negative (Reaffirmed)**
Subordinated Non-convertible Debentures	235.00	**235.00**			
Secured Non-convertible Debentures	25.00	**25.00**			
Total	360.00	**5,360.00**	**Rupees Five Thousand Three Hundred Sixty Crores Only**		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
** Details of NCDs are provided in Annexure-I
^ Public Issue; Interchangeable between secured and subordinated debt

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) assigns BWR AA+/Negative to the proposed non-convertible debentures (NCDs) of Rs.5,000 Crs, and reaffirms the rating of existing NCDs of IIFL Home Finance Limited (IIHFL or the company) at BWR AA+/Negative, as tabulated above. The rating continues to factor in the IIFL Finance group's diversified presence in the retail financing space, qualified and experienced management team, adequate capitalisation and diversified resource mix. The rating is, however, constrained by the limited seasoning of the group's loan portfolio, particularly in the home loan and business loan segments, and the average asset quality. The continuation of the Negative outlook is on account of the expectation of continued pressure on the asset quality, specifically in the micro small and medium enterprise (MSME) and real estate segments, which comprise about 26% of the portfolio as on 31 March, 2021. Also, given the growth in the Home Loan and MSME segments (CAGR of 29.73% and 73.44%, respectively, over the past 2 years) and limited seasoning of this book, the impact of the second wave of Covid-19 on these segments is yet to be seen. BWR shall continue to monitor the delinquency levels and asset quality of the portfolio.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has taken a consolidated view on IIFL Finance Limited (IIFL Finance) and its subsidiaries IIFL Home Finance Limited and Samasta Microfinance Limited (collectively referred to as the lending arm of the IIFL Finance group) on account of these entities having strong operational, financial and managerial linkages. The rating also factors in the synergies the IIFL Finance Group derives from IIFL Wealth Management Limited and IIFL Securities Limited, given the common promoters and shared brand name. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

KEY RATING DRIVERS

Credit Strengths:

Diversified business profile:

IIFL Finance Ltd is a retail focused diversified NBFC in India, engaged in the business of loans and mortgages along with its subsidiaries - IIFL Home Finance Limited and Samasta Microfinance Limited. The company has classified home loans, LAP, MSME business loans, gold loans and microfinance loans, as the core growth segment, accounting for about 89% of the AUM as on 31 March 2021. Additionally, the company also offers other products such as construction and real estate finance and capital market lending.

The assets under management (AUM) grew by 17.7% year-on-year, to Rs.44,688 Crs as on 31 March 2021, from Rs.37,951 Crs as on the previous year-end. The growth in AUM is mainly attributable to the growth in the gold loan segment and MFI segments, which grew by 44% and 39%, respectively during FY21.

In terms of composition of the AUM as on 31 March 2021, home loans constituted 32.31%, followed by gold loans at 29.42%, business loans (including loan against property) at 12.17%, MFI loans at 10.60%, and developer finance loans at 9.48%; the rest were loans to the capital market segment. The assigned loan book, of Rs.11,076 Cr constituted 25% of the AUM as on 31 March 2021. IIFL Finance also benefits from the synergies it derives from IIFL Wealth Management Limited and IIFL Securities Limited, given the common promoters and shared brand name.

Diversified resource mix: IIFL Finance has a diversified resource profile and has demonstrated its ability to raise funds through various sources. The company was able to raise long-term funds of Rs 21,512 Crs in FY21, of which around 52% was through the securitisation/assignment route, while 37% was in the form of term loans/refinance from National Housing Bank (NHB) and 11% in the form of NCDs/bonds.

As on March 31, 2021, the consolidated borrowings stood at Rs.28,426 Crs, as against Rs.25,734 Crs as on the previous year-end. Of the total borrowings as on 31 March 2021, 53% was in the form of term loans, 37% in the form of non-convertible debentures, and 10% was in the form of refinance. IIFL Finance relies on Assignment and Securitisation as one of the key sources to raise funds, since 90% of the loans as on 31 March 2021 are retail in nature and around 36% are PSL compliant. As on 31 March 2021, the company had raised Rs.14,904 Crs through this route.

Adequate capitalisation: IIFL Finance is adequately capitalised, with the consolidated net worth and gearing of Rs 5,393 Crs and 5.98 times, respectively, as on 31 March 2021; the same improved from Rs 4,766 Crs and 5.66 times, respectively, as on 31 March 2020.
The capital adequacy ratio of IIFL Finance Ltd. (standalone), IIFL Home Finance Ltd. and Samasta Microfinance Ltd. stood at 25.4%, 23.2% and 18.5%, respectively, as on 31 March 2021, as against the regulatory requirement of 15%. Tier I CAR for IIFL Finance Ltd stood at 17.5% as on 31 March 2021, as against the regulatory requirement of 10%. The capital adequacy ratios improved as the company raised Rs.670 Crs through sub debt in FY21.

On a standalone basis, IIHFL's net worth and gearing stood at Rs.2,146 Crs and 6.06 times as on 31 March 2021 (Rs 1,800 Crs and 6.63 times respectively as on 31 March 2020).

Experienced management and strong ownership: IIFL Finance Group is led by a qualified and experienced management team with strong experience in the financial services domain. The board consists of Mr. Nirmal Jain (the founder of IIFL Group and chairman of IIFL Finance), Mr. R. Venkataraman (co-founder and Managing Director of IIFL Finance) and other independent directors. IIFL Finance is a listed company in which promoters held 24.98%, the Fairfax group held 29.86%, CDC Group PLC held 15.46% and foreign investors held 14.97% as on 31 March 2021.

Credit Risks:
Limited loan seasoning: IIFL Finance's AUM has largely grown in the last three to four years. IIFL Finance's AUM grew from Rs 22,281 Crs as on 31 March 2017 to Rs 44,688 Crs as on 31 March 2021. Home loans, having a tenor of about 20 years, and business loans, with tenor of upto 12 years, constituted ~45% of the total AUM as on 31 March 2021. The company's portfolio has limited seasoning, especially in the home loan and LAP segments.

Average asset quality: IIFL Finance witnessed some asset quality pressure in FY20, which has continued in the next fiscal largely due to the looming of the COVID-19 pandemic. The consolidated gross NPA increased from 1.96% as on 31 March 2019 to 2.31% as on 31 March 2020, coming down marginally to 2.14% as on 31 March 2021, largely due to write-offs. During FY21, slippages were mainly on account of Business and MFI loans.
Provision Coverage Ratio (PCR) for Stage-3 assets at a consolidated level stood at 54.9%. The overall PCR as a percentage of the total loan book stood at 3.89% as on 31 March, 2021. Any incremental slippages from Stage 2 to Stage 3 shall be a key monitorable.
Segment-wise GNPA percentages have deteriorated on a year-on-year basis. GNPA for business loans, home loans and MFI loans stood at 5.7%, 1.5% and 1.8%, respectively, as on 31 March 2021, as against 2.0%, 1.1% and <1% respectively, as on the previous-year end.

About 75% of the home loans are for affordable residential projects, with an average ticket size of Rs.17.3 lakhs. Furthermore, as the asset quality of the real estate segment is more susceptible to the economic slowdown as a result of the COVID-19 pandemic, the performance of this segment is a key monitorable. BWR expects the asset quality pressures to continue for next few quarters due to the impact of COVID-19 pandemic on the company's borrowers.

IIFL Finance's ability to improve collections, control slippages and manage asset quality will be a key rating monitorable.
IIFL Finance is in the process of transferring substantial part of its Construction & Real Estate loan assets to an Alternative Investment Fund. As per the communication from the company, IIFL Finance will continue to own at least a third of the AIF's units. The AIF has a target fund size of Rs.3,600 Crs and has completed the transfer of one tranche of Rs.1,200 Crs to Credit Opportunities III PTE. Ltd, a fund managed by Ares SSG Capital Management. The transfer of the second tranche of Rs.1,200 Crs is under process.

RATING SENSITIVITIES

Going forward, the company's ability to improve its asset quality, steadily grow its portfolio and maintain a prudent capital structure will be key rating sensitivity factors.

Positive: An improvement in asset quality and collection efficiency, along with the company's ability to steadily grow its AUM with a sustained improvement in profitability are key rating positives.
Negative: A deterioration in asset quality, thereby impacting profitability, or reduction in liquidity levels, increase in gearing or challenges in raising funds at competitive rates are key rating negatives.

LIQUIDITY POSITION: ADEQUATE

As per IIFL Finance's asset liability maturity (ALM) profile as on 31 March 2021, there are no negative cumulative mismatches on a consolidated basis. The company has reduced its dependence on commercial paper borrowings and has been able to raise long-term funding in the form of term loans/NCDs and securitisation.

IIFL Home Finance Ltd. has scheduled debt repayment obligations of Rs.3,830 Crs for the next 1 year, from May, 2021 to April, 2022. At a standalone level, IIFL Home Finance Ltd. has liquidity to the extent of Rs.648 Crs, as on 30 April 2021, including cash & cash equivalents, fixed deposits and unutilised bank lines. Additionally, the company has average monthly collections of Rs.475 Crs.
On a consolidated basis, the group has scheduled debt repayment obligations of Rs.8,266 Crs, from May, 2021 to April, 2022, against which it has adequate liquidity of Rs.2,144 Crs as on 30 April, 2021, in the form of cash/FDs/ unutilised cash credit lines. The consolidated average monthly collections are Rs.3,500 Crs.

COMPANY PROFILE - IIFL Finance

IIFL Finance is a listed company in which promoters held 24.98%, the Fairfax group held 29.86%, CDC Group PLC held 15.46% and foreign investors held 14.97% as on 31 March 2021. IIFL Finance (erstwhile IIFL Holdings Limited) was the holding company for the entire IIFL group. The group had subsequently reorganised its corporate structure, wherein the Securities Business Undertaking and Wealth Business Undertaking of IIFL Holdings Limited were demerged into IIFL Securities Limited and IIFL Wealth Management Limited, respectively. IIFL Holdings Limited was renamed IIFL Finance Limited and now is the holding company for the lending businesses of the IIFL group. IIFL Finance is a retail-focused NBFC with a diversified loan book and offers products such as home loans, gold loans, microfinance, MSME business loans, LAP, construction finance and capital market finance. IIFL Finance has two key operating subsidiaries, IIFL Home Finance Ltd (in which it holds 100%) and Samasta Microfinance Ltd (in which IIFL Finance along with its subsidiary IIFL Home Finance Ltd holds 99.09%). The IIFL Finance group has a widespread branch network, with 2563 branches spread across 25 states, of which ~83% branches are in Tier-II and Tier-III cities and rural areas.

COMPANY PROFILE - IIHFL

IIFL Home Finance Ltd [erstwhile India Infoline Housing Finance Ltd (IIHFL)] was incorporated in 2006 and is registered with NHB. IIHFL primarily offers financial products such as home loans, LAP and project loans.

KEY FINANCIAL INDICATORS (IIFL Finance Limited - Consolidated)

Key Parameters	Units	FY19	FY20	FY21
Result Type		**Audited**	**Audited**	**Audited**
Total income	(in Rs Crs)	5,085	4,820	5,989
Net profit	(in Rs Crs)	796	503	761
Networth	(in Rs Crs)	4,359	4,766	5,393
Gearing	(in times)	6.08	5.66	5.98
Total AUM	(in Rs Crs)	34,903	37,951	44,688
Gross NPA	(%)	1.96	2.31	2.15
Net NPA	(%)	0.63	0.97	0.97

KEY FINANCIAL INDICATORS (IIFL Home Finance Ltd)

Key Parameters	Units	FY19	FY20	FY21
Result Type		**Audited**	**Audited**	**Audited**
Total income	(in Rs Crs)	1,828	1,775	2,068
Net profit	(in Rs Crs)	306	245	401
Networth	(in Rs Crs)	1,597	1,800	2,146
Gearing	(in times)	7.50	6.63	6.06
Total capital adequacy ratio	(%)	21.02	23.71	23.20
Total AUM	(in Rs Crs)	18,158	18,495	20,694
Gross NPA	(%)	0.88	1.60	1.96
Net NPA	(%)	0.67	1.22	1.23

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (Including withdrawal & suspended)

Sr. No.	Name of Instrument	Current Rating (2021)			Rating History for the past 3 years											
		Type	Amt (Crs)	Rating	2021			2020			2019			2018		
1	Secured NCDs	Long Term	25	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	25	BWR AA+/ Negative	Long Term	25	BWR AA+/ Negative	Long Term	25	BWR AA+/ Stable	NA		
2	Unsecured Subordinated NCDs	Long Term	100	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	100	BWR AA+/ Negative	Long Term	100	BWR AA+/ Negative	Long Term	100	BWR AA+/ Stable	Long Term	100	BWR AA+/ Stable
3	Unsecured Subordinated NCDs	Long Term	200	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	200	BWR AA+/ Negative	Long Term	200	BWR AA+/ Negative	Long Term	200	BWR AA+/ Stable	Long Term	200	BWR AA+/ Stable
4	Subordinated NCDs	Long Term	35	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	35	BWR AA+/ Negative	Long Term	35	BWR AA+/ Negative	Long Term	35	BWR AA+/ Stable	Long Term	35	BWR AA+/ Stable
5	NCDs	Long Term	5,000	BWR AA+ Negative	-			-			-			-		
	Total		**5,360**	**Rupees Five Thousand Three Hundred Sixty Crores Only**												

COMPLEXITY LEVELS OF THE INSTRUMENTS
For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Banks & Financial Institutions**
- **Consolidation of Companies**

Analytical Contacts	
Miloni Doshi **Senior Analyst - Ratings** **+91 9892200024** **Miloni.d@brickworkratings.com**	**Ramya Muraledharan** **Director - Ratings** **+91 22 6745 6660** **ramya.m@brickworkratings.com**
1-860-425-2742	**media@brickworkratings.com**

IIFL Home Finance Limited

ANNEXURE I

INSTRUMENT (NCD/Bonds) DETAILS

Instrument	Issue Date	Amount Raised in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
Subordinated NCD	21-Jan-16	10.00	9.30%	25-Jan-22	INE477L08055
Subordinated NCD	12-Feb-16	10.00	9.30%	11-Feb-22	INE477L08063
Subordinated NCD	30-May-16	15.00	9.30%	29-May-23	INE477L08071
Subordinated NCD	27-Jul-17	75.00	8.85%	27-Jul-27	INE477L08089
Subordinated NCD	27-Jul-17	100.00	8.93%	14-Apr-23	INE477L08097
Subordinated NCD	28-Feb-18	10.00	9.05%	28-Feb-28	INE477L08105
Subordinated NCD	18-Jun-18	40.00	9.85%	16-Jun-28	INE477L08113
Subordinated NCD	13-Jul-18	20.00	9.85%	13-Jul-28	INE477L08121
Subordinated NCD	13-Jul-18	10.00	9.85%	13-Jul-28	INE477L08121
Secured NCD	20-Mar-19	15.00	10.05%	20-Mar-26	INE477L07AA6
Total		**305.00**			

*Of the overall rated NCDs of Rs. 5,360 Crs, Rs. 5,055 Crs are yet to be raised

ANNEXURE II

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
IIFL Home Finance Ltd	100%	Full Consolidation	Subsidiary
Samasta Microfinance Ltd	99.09% #	Full Consolidation	Subsidiary

held by IIFL Finance along with its subsidiary IIFL Home Finance Ltd.

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings
Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER : Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.

CATALYST
Believe in yourself... Trust us!

CL/MUM/21-22/DEB/104

May 28, 2021

IIFL Home Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V,
Plot No. B-23, MIDC,
Thane Industrial Area,
Wagle Estate, Thane - 400 604,
Maharashtra

Dear Ma'am/Sir

Sub: Proposed public issue of rated secured redeemable non-convertible debentures and/or rated unsecured subordinated redeemable non-convertible debentures ("NCDs") aggregating up to ₹ 50,000 Million ("Issue") of IIFL Home Finance Limited ("Company") in one or more tranches. The Unsecured NCDs will be in the nature of subordinated debt and shall be eligible for TIER II Capital.

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and/or The National Stock Exchange of India Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus and respective Tranche Prospectus(es) to be filed with the Registrar of Companies, Mumbai ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited
Address:	'GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038, Maharashtra
Tel:	022 4922 0555
Fax:	022 4922 0505
E-mail:	ComplianceCTL-Mumbai@ctltrustee.com
Website:	www.catalysttrustee.com
Contact Person:	Mr. Umesh Salvi
SEBI Registration No:	IND000000034
Compliance Officer:	Ms. Rakhi Kulkarni
CIN:	U74999PN1997PLC110262

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

CATALYST TRUSTEESHIP LIMITED

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED) An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (022) 4922 0555 **Fax** +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 **Tel** +91 (020) 25280081 **Fax** +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 **Tel** 11 430 29101/02.
CIN No. U74999PN1997PLC110262 **Email** dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

We confirm that we will immediately inform you and the Lead Managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by the Company, the Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely

For Catalyst Trusteeship Limited

CATALYST TRUSTEESHIP LIMITED

Authorised Signatory
Name: Deesha Srikkanth
Designation: Vice President

CC:

EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House, Off CST Road,
Kalina, Mumbai - 400 098,
Maharashtra, India

IIFL SECURITIES LIMITED
10th Floor, IIFL Centre, Kamala Centre,
Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400 013,
Maharashtra, India

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Maharashtra, India

ICICI SECURITIES LIMITED
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India

EQUIRUS CAPITAL PRIVATE LIMITED
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai - 400 013,
Maharashtra, India

KHAITAN & CO LLP
One World Centre, 13th Floor, Tower 1,
Senapati Bapat Marg, Mumbai - 400 013,
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्रारूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000258

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

CATALYST TRUSTEESHIP LIMITED
GDA HOUSE, PLOT NO. 85,
BHUSARI COLONY (RIGHT), PAUD ROAD
PUNE – 411 038
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000034**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **JULY 29, 2016**

M J Sonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

CATALYST TRUSTEESHIP LIMITED

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

1.	Registration Number	IND000000034
2.	Date of registration/ Renewal of registration	July 29, 2016
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6.	Any enquiry/ investigation being conducted by SEBI	NIL
7.	Details of any penalty imposed by SEBI	NIL

Sincerely

For Catalyst Trusteeship Limited

CATALYST TRUSTEESHIP LIMITED

Authorised Signatory
Name: Deesha Srikkanth
Designation: Vice President

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED) An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (022) 4922 0555 **Fax** +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 **Tel** +91 (020) 25280081 **Fax** +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 **Tel** 11 430 29101/02.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai