



IIFL FINANCE LIMITED

(Formerly known as IIFL Holdings Limited)

IIFL Finance Limited (the "Company" or "Issuer") 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 Company was changed to a public limited company and our 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 Company 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 Company 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 Company 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 Company 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. Also, our Company 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 Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company ("NBFC"). For more information about the Company, please refer "General information" and "History and Main Objects" on pages 55 and 145 of the Shelf Prospectus.

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India.

Tel.: +91 22 4103 5000; Fax: +91 22 2580 6654

Corporate Office: 802, 8th Floor, Hub Town Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069, Maharashtra, India.

Tel.: +91 22 6788 1000; Fax: +91 22 6788 1010

CIN: L67100MH1995PLC093797; Website: www.iifl.com; Email: csteam@iifl.com

Company Secretary and Compliance Officer: Sneha Patwardhan

PUBLIC ISSUE BY IIFL FINANCE LIMITED (FORMERLY KNOWN AS IIFL HOLDINGS LIMITED ("COMPANY" OR THE "ISSUER")) OF UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("UNSECURED NCDs") FOR AN AMOUNT OF ₹ 1,000 MILLION ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 9,000 MILLION AMOUNTING TO ₹ 10,000 MILLION ("TRANCHE I ISSUE LIMIT") ("TRANCHE I ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 50,000 MILLION AND IS BEING OFFERED BY WAY OF THIS TRANCHE I PROSPECTUS DATED FEBRUARY 24, 2021 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE I ISSUE ("TRANCHE I PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED FEBRUARY 24, 2021 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, MUMBAI, MAHARASHTRA ("ROC"), STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"), THE SHELF PROSPECTUS AND TRANCHE I PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS"). THE UNSECURED NCDs WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER II CAPITAL. THIS TRANCHE I ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our Promoters are Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani. For details of our Promoter, please refer to the section "Our Promoter and Promoter Group" on page 172 of the Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Tranche I Issue, including the risks involved. Specific attention of the Investors is invited to the sections titled "Risk Factors" on page 24 of the Shelf Prospectus and "Material Developments" on page 189 of the Shelf Prospectus and on page 34 of this Tranche I Prospectus. This Tranche I 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"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche I Prospectus read together with Shelf Prospectus contains all information with regard to the Issuer. The information contained in this Tranche I Prospectus read together with Shelf 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, the omission of which makes this Tranche I 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 the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the Unsecured NCDs, see chapter titled "Terms of the Issue" on page 63 of this Tranche I Prospectus. For details relating to eligible investors please see "Issue Procedure" on page 76 of this Tranche I Prospectus.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Negative" (pronounced as CRISIL double A rating with Negative outlook) for an amount of Rs.50,000 million by CRISIL Limited ("CRISIL") vide their rating letter dated June 26, 2020 and revalidated vide letter dated December 21, 2020 and further revalidated vide letter dated February 08, 2021 and BWR AA+/ Negative (pronounced as BWR Double A plus with Negative outlook) for an amount of Rs. 50,000 million by Brickworks Ratings India Private Limited vide their rating letter dated June 30, 2020 and revalidated vide letter dated December 22, 2020 and further revalidated vide letter dated February 16, 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 Tranche I Prospectus for the rationale of the above ratings.


LISTING

The NCDs offered through this Tranche I Prospectus are proposed to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Our Company has received an 'in-principle' approval from the BSE vide their letter bearing reference number DCS/BM/PI-BOND/002/20-21 dated July 9, 2020 and from NSE vide their letter bearing reference number NSE/LIST/0079 dated July 9, 2020 and an extension of validity for three months vide letter dated December 28, 2020. For the purpose of the Issue, BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated June 30, 2020 was filed with BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the BSE and NSE.

LEAD MANAGERS TO THE ISSUE

 <p>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: iifl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650 CIN: L99999MH1995PLC094641</p>	 <p>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: iifl.ncd2020@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</p>	 <p>EQUIRUS CAPITAL PRIVATE LIMITED 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013 Tel: +91 (22) 4332 0700 Fax: +91-(22)4332-0750 Email: iifl.ncd@equirus.com Investor Grievance Email: investorsgrievance@equirus.com Website: www.equirus.com Contact person: Ankit Jain Compliance Officer: Jyot Bhat SEBI Registration Number: INM000011286 CIN: U65910MH2007PTC172599</p>
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REGISTRAR TO THE ISSUE

 <p>LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra Tel.: + 91 22 4918 6200 Fax: + 91 22 4918 6195 Email: iifl.ncd2020@linkintime.co.in Investor Grievance Email: iifl.ncd2020@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan Compliance Officer: B.N. Ramakrishnan SEBI Registration No: INR000004058 CIN: U67190MH1999PTC118368</p>
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DEBENTURE TRUSTEE TO THE ISSUE

 <p>Catalyst Trusteeship Limited** GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411 038 Tel: 022 - 49220542 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</p>

ISSUE PROGRAMME*

TRANCHE I ISSUE OPENS ON: Wednesday, March 03, 2021

TRANCHE I ISSUE CLOSES ON: Tuesday, March 23, 2021

* 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.

** This Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche I 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 Tranche I 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 extended date of Tranche I Issue closure. Applications Forms for the Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Tranche I Issue Period. On the Tranche I 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 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 57 of this Tranche I Prospectus.

*** **Catalyst Trusteeship Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated June 29, 2020 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 Tranche I Prospectus

A copy of the Shelf Prospectus and this Tranche I Prospectus has been filed with the Registrar of Companies, Mumbai, Maharashtra, in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 117 of this Tranche I Prospectus.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche I Prospectus to “the Issuer”, “our Company”, “the Company” or “ IIFL” “IIFL Finance Limited (Formerly known as IIFL Holdings Limited)” are to IIFL Finance Limited (Formerly known as IIFL Holdings Limited), public limited company incorporated under the Companies Act, 1956, registered as an NBFC with the RBI under Section 45-IA of the RBI Act and having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane – 400604, Maharashtra, India. Unless the context otherwise indicates, all references in this Tranche I Prospectus to “we” or “us” or “our” are to our Company. Unless the context otherwise indicates, all references in this Tranche I Prospectus to “Subsidiaries” shall mean Subsidiaries of our Company namely, IIFL Home Finance Limited and Samasta Microfinance Limited.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche I Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

General Terms

Term	Description
“IIFL” or “Company” or “the Company” or “the Issuer” or “our Company”	IIFL Finance Limited (Formerly known as IIFL Holdings Limited), a public limited company incorporated under the Companies Act, 1956, registered as an NBFC with the RBI under Section 45-IA of the RBI Act and having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane – 400604, Maharashtra, India.
“we” or “us” or “our”	Unless the context otherwise requires, IIFL Finance Limited.
Subsidiaries	Subsidiaries of our Company namely, IIFL Home Finance Limited and Samasta Microfinance 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
Audit Committee	Audit committee of the Board of Directors
“Auditors” or “Statutory Auditors”	The statutory auditors of the Company, M/s. V. Sankar Aiyar & Co.
“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
“Credit Committee” or “Group Credit Committee”	Credit Committee/ Group Credit Committee as approved by the Board of Directors depending upon the value of transactions.
Directors	Directors of the Company
DSA	Direct Selling Agent
Equity Shares	Equity shares of the Company of face value of Rs. 2 each
ESOP/s	Employee Stock Options
Finance Committee	Finance Committee as constituted by the Board of Directors
IIFL ESOP Plan	IIFL Finance Employees Stock Option Plan 2007; IIFL Finance Employee Stock Option Plan 2008; and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme

Term	Description
IIFHL	IIFL Home Finance Limited
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
Interim Condensed Consolidated Financial Statements	The audited Interim Condensed Consolidated Financial Statements for the three months ended June 30, 2020 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 read with Sub-section (1) of section 210A of Companies Act, 2013, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.
Interim Condensed Financial Statements	Interim Condensed Consolidated Financial Statements and Interim Condensed Standalone Financial Statements
Interim Condensed Standalone Financial Statements	The audited Interim Condensed Standalone Financial Statements for the three months ended June 30, 2020 prepared in accordance with 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 read with Sub-section (1) of section 210A of Companies Act, 2013, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.
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 Tranche I Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013, as under: <i>“key managerial personnel”, in relation to a company, means –</i> <i>i. the chief executive officer or the managing director or the manager;</i> <i>ii. the company secretary;</i> <i>iii. the whole-time director;</i> <i>iv. the chief financial officer;</i> <i>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</i> <i>vi. such other officer as may be prescribed”</i>
LAP	Loan Against Property
Limited Review Financials / Limited Review Financial Results/ Unaudited Ind AS Financial Information	The Unaudited Ind AS Standalone Financial Information and Unaudited Ind AS Consolidated Financial Information for the nine months ended December 31, 2020 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 read with Sub-section (1) of section 210A of Companies Act, 2013, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.
Loan Book	Loan book of the Company recording relevant entries of the secured and/or unsecured loans advanced by the Company
“Memorandum” or “Memorandum of Association” or “MoA”	Memorandum of Association of our Company
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors
Networth	As defined in Sec 2(57) of the Companies Act, 2013, as follows: <i>“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</i>

Term	Description
	<i>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.”</i>
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.
“Promoters” or “our Promoter”	The promoters of our Company are Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani
Reformatted Consolidated Financial Statements as per Ind AS	<p>The reformatted consolidated statement of Assets and Liabilities as at March 31, 2020 and March 31, 2019 and the reformatted consolidated Statement of Profit and Loss for the Fiscal 2020 and Fiscal 2019 and the reformatted consolidated Statement of Cash Flows for the Fiscal 2020 and Fiscal 2019 and the reformatted consolidated statement of Changes in Equity for the Fiscal 2020 and Fiscal 2019, each prepared in accordance with IND AS, as examined by the Statutory Auditors of our Company.</p> <p>Our audited consolidated financial statements as at and for the year ended March 31, 2020 and March 31, 2019 form the basis for such Reformatted Consolidated Financial Statements as per IND AS</p>
Reformatted Financial Statements as per Ind AS	Reformatted Standalone Financial Statements as per Ind AS and Reformatted Consolidated Financial Statements as per Ind AS
Reformatted Standalone Financial Statements as per Ind AS	<p>The reformatted standalone statement of Assets and Liabilities as at March 31, 2020 and March 31, 2019 and the reformatted standalone statement of profit and loss for the Fiscal 2020 and Fiscal 2019 and the reformatted standalone statement of cash flows for the Fiscal 2020 and Fiscal 2019 and the reformatted standalone statement of changes in equity for the Fiscal 2020 and Fiscal 2019, each prepared in accordance with IND AS, as examined by the Statutory Auditors of our Company.</p> <p>Our audited standalone financial statements as at and for the year ended March 31, 2020 and March 31, 2019 form the basis for such Reformatted Standalone Financial Statements as per IND AS</p>
Reformatted Standalone Financial Statements as per IGAAP	<p>The reformatted standalone statement of balance sheet as at March 31, 2018, March 31, 2017 and March 31, 2016 and the reformatted standalone statement of profit and loss for the Fiscal 2018, Fiscal 2017 and Fiscal 2016 and the reformatted standalone statement of cash flows for the Fiscal 2018, Fiscal 2017 and Fiscal 2016, each prepared in accordance with IGAAP, as examined by the Statutory Auditors of our Company.</p> <p>Our audited standalone financial statements as at and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 form the basis for such Reformatted Standalone Financial Statements as per IGAAP</p>
Reformatted Financial Statements as per IGAAP	Reformatted Consolidated Financial Statements as per IGAAP and Reformatted Standalone Financial Statements as per IGAAP
Reformatted Consolidated Financial Statements as per IGAAP	<p>The reformatted consolidated statement of balance sheet as at March 31, 2018, March 31, 2017 and March 31, 2016 and the reformatted consolidated statement of profit and loss for the Fiscal 2018, Fiscal 2017 and Fiscal 2016 and the reformatted consolidated statement of cash flows for the Fiscal 2018, Fiscal 2017 and Fiscal 2016, each prepared in accordance with IGAAP, as examined by the Statutory Auditors of our Company.</p> <p>Our audited consolidated financial statements as at and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 form the basis for such Reformatted Consolidated Financial Statements as per IGAAP</p>

Term	Description
Reformatted Financial Statements	The Reformatted Financial Statements as per Ind AS and the Reformatted Financial Statements as per IGAAP
Registered Office	The registered office of our Company is at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, 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
SML	Samasta Microfinance Limited
Stakeholders Relationship Committee	Stakeholders Relationship Committee as constituted by the Board of Directors

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing salient features of the Shelf Prospectus and this Tranche I Prospectus
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 this Tranche I Issue to the successful Allottees
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 the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and Abridged Prospectus and the Application Form for this Tranche I Issue
“ASBA” or “Application Supported by Blocked Amount” or “Application” or “ASBA Application” or “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 Rs. 2,00,000 which will be considered as the application for Allotment in terms of this Tranche I Prospectus.
Application Amount/ Bid Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for this Tranche I Issue 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 the Shelf Prospectus and this Tranche Prospectus.
ASBA Account	A bank account maintained with an 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.
ASBA 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
Base Issue Size	₹ 1,000 Million
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Tranche I Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 76 of this Tranche I Prospectus.

Term	Description
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.
Brickwork/BWR	Brickwork Ratings India Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges 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.bseindia.com and www.nseindia.com as updated from time to time.
BSE	BSE Limited.
Category I (Institutional Investors)	<ul style="list-style-type: none"> • 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 Rs.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 (Non Institutional Investors)	<ul style="list-style-type: none"> • 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 Rs. 10,00,000 across all options of NCDs in the Issue

Term	Description
Category IV (Retail Individual Investors or Retail Individual Bidder(s) or RIB(s) applying through UPI)	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.
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular and Debt UPI Circular.
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.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL and Brickwork
CRISIL	CRISIL Limited
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.
Debenture Trust Deed(s)	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements.
Debenture Trustee Agreement	The agreement dated June 29, 2020 read with addendum dated December 31, 2020 entered into between the Debenture Trustee and our Company.
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture Holders, in this Issue being Catalyst Trusteeship Limited
Debenture(s) / NCD(s)	A collective reference to Secured NCDs and/or Unsecured NCDs.
Debt Application Circular(s)	The circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 issued by SEBI, circular no. SEBI/HO/DDHC/CIR/P/2020233 dated November 23, 2020 (“ Debt UPI Circular ”) and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“ Debt ASBA Circular ”).
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 approve the Allotment of the NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors/or the Finance Committee thereof and notified to the Stock Exchanges. 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 shall be available to the Debenture Holders from the Deemed Date of Allotment.

Term	Description
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.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and this Tranche I Prospectus and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediary(ies)	Collectively, the Lead Managers, Syndicate Members/ Lead Brokers, Trading Members, agents, SCSBs, Registered Brokers, CDPs and CRTAs, 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 Exchanges 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 Application Forms to CRTAs. The details of such Designated CRTA Locations, 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 respective websites of the Stock Exchanges.
Designated Stock Exchange	BSE.
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.
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated June 30, 2020, filed by our Company with BSE and NSE for receiving public comments, in accordance the Regulation 6(2) of the SEBI Debt Regulations and forwarded to SEBI for record purpose.
Edelweiss	Edelweiss Financial Services Limited.
ICRA	ICRA Limited
Interest Payment Date/ Coupon Payment Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 63 of this Tranche I Prospectus

Term	Description
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“ Secured NCDs/Debentures ”) and/or unsecured subordinated redeemable non-convertible debentures of the face value of ₹ 1,000 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 30, 2020 read with addendum to issue agreement dated February 22, 2021 entered between our Company and the Lead Managers.
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 Broker Agreement	Agreement dated February 22, 2021 between our Company, the Lead Managers and the Lead Brokers.
Lead Brokers/ Syndicate Members	Edelweiss Broking Limited, ICICI Securities Limited, IIFL Securities Limited, Equirus Securities Private Limited
Lead Managers/ LMs	Edelweiss Financial Services Limited, IIFL Securities Limited* and Equirus Capital Private Limited. <i>*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.</i>
Market Lot	1 (one) NCD.
Maturity Amount or Redemption Amount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 63 of this Tranche I Prospectus
Maturity Date or Redemption Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 63 of this Tranche I Prospectus
Members of the Syndicate	Members of the Syndicate includes Lead Manager and Lead Broker(s)
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
NSE	National Stock Exchange of India Limited.
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	The Draft Shelf Prospectus, Shelf Prospectus, this Tranche I Prospectus and Abridged 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, Public Issue Account and Sponsor Bank Agreement, Lead Broker Agreement and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers. For further details see the chapter titled “ Material Contracts and Documents for Inspection ” on page 117 of this Tranche I Prospectus.

Term	Description
“Promoter” or “Our Promoter”	The promoters of our Company are Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani
Public Issue Account	A bank account to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for in this Tranche I Prospectus.
Public Issue Account and Sponsor Bank Agreement	Agreement dated February 22, 2021 entered amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for 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 of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	ICICI Bank Limited
Record Date	<p>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 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.</p> <p>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.</p>
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in this Tranche I Prospectus.
Refund Bank(s)	ICICI Bank Limited
Register of Debenture Holders/ NCD Holders	The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013.
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants.
Registrar Agreement	Agreement dated June 30, 2020 read with addendum to registrar agreement dated February 22, 2021 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
Resident Individual	An individual who is a person resident in India
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
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://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Term	Description
Series	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled “ Issue Related Information ” beginning on page 57 of this Tranche I Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹ 50,000 Million to be issued under the Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated February 24, 2021 that shall be filed by our Company with the SEBI, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Specified Cities/Specified Locations	Bidding Centres where the Members of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and 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 for this Tranche I Issue being ICICI Bank Limited.
Stock Exchange(s)	BSE and NSE.
Subordinated Debt	<p>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 the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <p>Remaining maturity of the instruments and rate of discount:</p> <ul style="list-style-type: none"> • 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% • more than four years but up to five years 20% <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital.</p>
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Syndicate Members/Lead Brokers, brokers or the Trading Members of the Stock Exchanges 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.

Term	Description
Tenor	Please see the section titled “ <i>Terms of the Issue</i> ” on page 63 of this Tranche I Prospectus.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial 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; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: <ul style="list-style-type: none"> (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; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
Trading Members	Intermediaries registered with a 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 Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchanges.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche I Issue	Public Issue by the Company of unsecured subordinated redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“ Unsecured NCDs ”) for an amount of ₹ 1,000 Million (“ Base Issue Size ”) with an option to retain oversubscription up to ₹ 9,000 Million amounting to ₹ 10,000 Million (“ Tranche I Issue Limit ”) (“ Tranche I Issue ”) which is within the Shelf Limit of ₹ 50,000 Million and is being offered by way of this Tranche I Prospectus dated February 24, 2021 containing inter alia the terms and conditions of Tranche I issue (“ Tranche I Prospectus ”), which should be read together with the Shelf Prospectus dated February 24, 2021 (“ Shelf Prospectus ”) filed with the registrar of companies, Mumbai, Maharashtra, (“ ROC ”), Stock Exchanges and Securities and Exchange Board of India (“ SEBI ”). The Shelf Prospectus and Tranche I Prospectus constitutes the prospectus “ Prospectus ”). The Unsecured Debentures will be in the nature of subordinated debt and will be eligible for inclusion as Tier II Capital.
Tranche I Issue Closing Date/ Issue Closing Date	Tuesday, March 23, 2021
Tranche I Issue Opening Date/ Issue Opening Date	Wednesday, March 03, 2021
Tranche I Issue Period	The period between the Tranche I Issue Opening Date and the Tranche I Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.

Term	Description
Tripartite Agreements	Tripartite Agreement dated July 27, 2020 among our Company, the Registrar and CDSL and Tripartite Agreement dated March 11, 2005 among our Company, the Registrar and NSDL.
Transaction Documents	Transaction documents shall mean this Tranche Prospectus, Shelf 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.
“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 Rs. 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 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.
Unsecured NCDs	NCDs offered under the Issue which are rated, subordinated, redeemable, non-convertible debentures and are not secured by any charge on the assets of Issuer and which will be eligible for Tier II capital.
Web Interface	Web interface developed by Designated Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchanges 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 Day(s)/ Business Day(s)	Working Day(s) shall mean all days excluding Saturdays and Sundays or a holiday of commercial banks in Mumbai, except with reference to Tranche I 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 Tranche I Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of stock exchanges excluding Sundays and bank holidays as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean all days, excluding Saturdays, Sundays and public holidays in India or bank holidays in Mumbai.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or ₹ or Indian Rupees or INR or Rs.	The lawful currency of India
ACH	Automated Clearing House
AGM	Annual General Meeting
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
ALCO/ Asset Management Committee	Assets Liability Management Committee

Term/Abbreviation	Description/ Full Form
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AML	Anti Money Laundering
AS	Accounting Standards issued by Institute of Chartered Accountants of India
AUM	Assets Under Management
ASBA	Application Supported by Blocked Amount
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
Billion	100,00,00,000 (One hundred crores)
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
CEIC	Census Economic Information Centre
CIN	Corporate Identification Number
Code of Criminal Procedure/ CrPC	Code of Criminal Procedure, 1973
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR / CAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio
Crore	1,00,00,000 (One hundred lakhs)
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996, as amended read with regulations framed thereunder
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP ID	Depository Participant's Identity Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DSA	Direct Sales Agent
ECS	Electronic Clearing Scheme
EGM	Extraordinary General Meeting
ESOP	Employee Stock Option Scheme
Expected Credit Loss /ExCL	ExCL 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 effective interest rate.
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended
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 / FY/ Fiscal/Fiscal Year	Period of 12 months ended March 31 of that particular year
FIR	First Information Report

Term/Abbreviation	Description/ Full Form
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade. Gross NPA is also referred to as GNPAs
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Income Tax Act or IT Act	Income Tax Act, 1961
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act
India	Republic of India
Indian GAAP/ IGAAP	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
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
LTV	Loan to value
MCA	Ministry of Corporate Affairs, GoI
Million	10,00,000 (Ten lakhs)
MoF	Ministry of Finance, GoI
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
N.I. Act	Negotiable Instruments Act, 1881, as amended
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND-SI	Systemically Important Non deposit taking NBFC, regulated by the RBI guidelines
NEFT	National Electronic Fund Transfer
NRI or Non-Resident Indian	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax

Term/Abbreviation	Description/ Full Form
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934 as amended
RBI Master Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ExCL 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 as defined under Ind AS
Stage 2 Provision	Stage 2 provision are life time ExCL 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 as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
AMC	Asset Management Company
AUM	Asset Under Management (meaning total adjusted Loans & Advances)
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India
LTV	Loan to value ratio
MFI	Microfinance institutions
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
MSME	Micro, Small and Medium Enterprises
NPAs	Non-Performing Assets.
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
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WC DL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “**Capital Structure**”, “**Regulations and Policies**”, “**History, Main Objects and Key Agreements**”, “**Statement of Tax Benefits**”, “**Our Management**”, “**Financial Indebtedness**”, “**Outstanding Litigation and Defaults**” and “**Issue Procedure**” on pages 64, 174, 145, 88, 150, 190, 210 and 272, respectively will have the meanings ascribed to them in such sections of the Shelf Prospectus.

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

Certain Conventions

All references in this Tranche I 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, 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, March 31, 2017 and March 31, 2016 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 as per Ind AS and the Reformatted Financial Statements as per IGAAP are included in the 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/s. V. Sankar Aiyar & Co, are included in the Shelf Prospectus in the section titled “*Financial Statements*” beginning at page 188 of the Shelf Prospectus.

A composite scheme of arrangement amongst our Company, India Infoline Finance Limited, India Infoline Media and Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, IIFL Distribution Services Limited and their respective shareholders, under sections 230 -232 and other applicable provisions of the Companies Act 2013 (“**Scheme**”) has been implemented. As a part of the Scheme, post receipt of the requisite approvals, our Company gave effect to the merger of India Infoline Finance Limited with our Company with effect from March 30, 2020 with the appointed date as April 1, 2018. On account of the aforesaid Scheme, the financials of our Company as at March 31, 2020 and March 31, 2019 are not comparable to March 31, 2018, March 31, 2017 and March 31, 2016. For further details of the Scheme, please refer to the chapter titled “*Capital Structure*” on page 64 of the Shelf Prospectus.

Entities consolidated during the preparation of financial statements of our Company, during the five years ended March 31, 2020 are as below:

FY 2020	FY 2019
Subsidiaries	
IIFL Home Finance Limited (Formerly India Infoline Housing Finance Limited)	IIFL Home Finance Limited (Formerly India Infoline Housing Finance Limited)
Samasta Microfinance Limited	Samasta Microfinance Limited
Clara Developers Private Limited*	Clara Developers Private Limited*
Trust with Residual Beneficial Interest	
Eminent Trust October 2019	-
Eminent Trust November 2019	-

*Clara Developers Private Limited ceased to be the subsidiary of the Company with effect from July 27, 2020.

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

FY 2018	FY 2017	FY 2016
Subsidiaries		
IIFL Commodities Limited (Formerly India Infoline Commodities Limited)	IIFL Commodities Limited (Formerly India Infoline Commodities Limited)	IIFL Commodities Limited (Formerly India Infoline Commodities Limited)
India Infoline Media and Research Services Limited	India Infoline Media and Research Services Limited	India Infoline Media and Research Services Limited
IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
IIFL Securities Limited (Formerly India Infoline Limited)	IIFL Securities Limited (Formerly India Infoline Limited)	IIFL Securities Limited (Formerly India Infoline Limited)
India Infoline Finance Limited	India Infoline Finance Limited	India Infoline Finance Limited
IIFL Wealth Management Limited	IIFL Wealth Management Limited	IIFL Wealth Management Limited
IIFL Capital Inc.	IIFL Capital Inc.	IIFL Capital Inc.
IIFL Wealth (UK) Limited	IIFL Wealth (UK) Limited	IIFL Wealth (UK) Limited
IIFL Asset Reconstruction Limited	5 Paisa Capital Limited	IIFL Asset Reconstruction Limited
-	-	5 Paisa Capital Limited
Associates		
-	IIFL Asset Reconstruction Limited	-
Joint Controlled Entities		
Meenakshi Tower LLP	Meenakshi Tower LLP	Meenakshi Tower LLP

The audited interim condensed financial statements of our Company for the three months period ended June 30, 2020 submitted to the Stock Exchanges pursuant to the requirements of SEBI LODR Regulations (“**Interim Condensed Financial Statements**”) are included in the Shelf Prospectus in the chapter titled “**Financial Statements**” beginning at page 188 of the Shelf Prospectus.

The Unaudited Ind AS Standalone Financial Information and Unaudited Ind AS Consolidated Financial Information for the nine months ended December 31, 2020 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 read with Sub-section (1) of section 210A of Companies Act, 2013, as amended and presented in accordance with the requirements of the SEBI LODR Regulations (“**Unaudited Ind AS Financial Information**”) are included in the Shelf Prospectus.

Unless stated otherwise or unless context requires otherwise, the financial data used in the Shelf Prospectus for the three months period ended June 30, 2020, nine months period ended December 31, 2020 and as at 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 the Shelf Prospectus is derived from our Company’s Reformatted Financial Information as at and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, 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 the Shelf Prospectus is on a consolidated 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 the 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 the Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in the Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of 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 "NBFC Report 2020" issued by CRISIL Limited for industry related data that has been disclosed in the 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, including those disclosed in "*Internal Risk Factor no. 32 – "Certain facts and statistics are derived from publications not independently verified by our Company, the Lead Managers or their respective advisors"*" on page no. 38 of the Shelf Prospectus. 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 Tranche I 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 Tranche I Prospectus, data will be given in ₹ in million.

Certain figures contained in this Tranche I 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. We have 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 Tranche I 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 Tranche I 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 Tranche I 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 ₹) of the USD for the respective dates are provided below:

Currency	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
USD	73.05	75.39	69.17	65.04	64.84	66.33

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.

In this Tranche I Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche I 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 Tranche I Prospectus that are not historical facts. All statements contained in this Tranche I Prospectus that are not statements of historical fact constitute “forward-looking statements” and are not forecasts or projections relating to our Company’s financial performance. 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 to differ materially from our expectations include, among others:

- 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 microfinance industry in India due to the category of borrowers that it services; which are not generally associated with other forms of lending;
- Volatility in gold prices which may affect the value of collateral held with us.
- other factors discussed in the Shelf Prospectus, including under the section titled “**Risk Factors**” on page 24 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled “**Our Business**”, “**Risk Factors**” and “**Outstanding Litigations**” on pages 120, 24 and 210 respectively of the Shelf Prospectus. The forward-looking statements contained in this Tranche I Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Tranche I Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our 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 us 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, its Directors and its officers, nor any of their respective affiliates or associates, Lead Managers nor any of its Directors and its officers have any obligation 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. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material

developments between the date of filing the Shelf Prospectus and this Tranche I Prospectus with the ROC and the date of the Allotment.

SECTION II - INTRODUCTION

GENERAL INFORMATION

Our Company 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 Company was changed to a public limited company and our 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 Company 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 Company 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 Company 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 Company 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.

NBFC Registration

Our Company holds a certificate of registration dated March 06, 2020 bearing registration no. N-13.02386 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act.

Company Registration No.: 093797

CIN: L67100MH1995PLC093797

LEI: 335800CZ46UJRS34JR78

Permanent Account Number:

AABCI0745G

Registered Office

IIFL Finance Limited*

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, Thane Industrial Area,
Wagle Estate, Thane – 400604, Maharashtra, India

Tel.: +91 22 4103 5000

Fax: +91 22 2580 6654

Website: www.iifl.com

Email: csteam@iifl.com

*Our Company has submitted application with SEBI for surrender of registration number for Investment Advisor. The said registration has been surrendered on February 22, 2021.

Corporate Office:

802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 400069,
Maharashtra, India.

Tel.: +91 22 6788 1000

Fax: +91 22 6788 1010

Website: www.iifl.com

Email: csteam@iifl.com

For further details regarding changes to our Registered Office, see “*History and Main Objects*” beginning on page 132 of the Shelf Prospectus.

Registrar of Companies, Maharashtra, Mumbai.

100, Everest House
Marine Lines

Mumbai 400 002
Maharashtra, India

Chief Financial Officer

Rajesh Rajak

802, 8th Floor, Hubtown Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai – 400069
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: rajesh.rajak@iifl.com

Company Secretary and Compliance Officer

Sneha Patwardhan

802, 8th Floor, Hubtown Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai – 400069
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: csteam@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, refund orders, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers or interest on application money etc as the case may be.

All grievances relating to the Issue or this Tranche I Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the 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 or Compliance Officer 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 ASBA Applicant.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges 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 may be addressed directly to the Stock Exchanges.

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: iifl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
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: iifl.ncd2020@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.*

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai 400 013
Tel: +91 (22) 4332 0700
Fax: +91-(22) 4332-0750
Email: iifl.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Ankit Jain
Compliance Officer: Jyot Bhat
SEBI Registration Number: INM000011286

Lead Brokers to the Issue

Edelweiss Broking Limited
2nd Floor, Office No. 201-203, Zodiac Plaza,
Xavier College Road, Off C G Road,
Ahmedabad 380009
Tel.: +91 22 4009 4400
E-mail: amit.dalvi@edelweissfin.com; prakash.boricha@edelweissfin.com
Investor Grievance E-mail Id: helpdesk@edelweiss.in
Website: www.edelweissfin.com
Contact Person: Amit Dalvi / Prakash Boricha
SEBI Registration Number: INZ000005231

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel.: + 91 22 2277 7626
Email: rajat.rawal@icicisecurities.com

Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Rajat Rawal
SEBI Registration No.: INZ000183631

IIFL Securities Limited

6th and 7th Floor, Ackruti Centre Point
Central Road, MIDC
Andheri (E), Mumbai 400 093
Tel.: + 91 22 3929 4000/4103 5000
Fax: + 91 22 2580 6654
Email: cs@iifl.com
Investor Grievance Email: customergrievances@iifl.com
Website: www.indainfoline.com
Contact Person: Prasad Umarale
SEBI Registration No.: INZ000164132

Equirus Securities Private Limited

A2102 B, 21st Floor, A Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel, Mumbai 400 013
Tel.: + 91 079 6190 9561
Fax: +91 079 6190 0560
Email: jay.soni@equirus.com
Investor Grievance Email: admin_equities@equirus.com
Website: www.equirus.com
Contact Person: Jay Soni
SEBI Registration No: INZ000251536

Debenture Trustee:

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)
'GDA House' Plot No. 85, Bhusari Colony (Right), Kothrud, Pune - 411038
Tel: 022 - 49220542
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 Kulkarni
SEBI Registration No: IND000000034
CIN: U74999PN1997PLC110262

Registrar:

Link Intime India Private Limited

C 101, 1st Floor, 247 Park,
L.B.S Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: iifl.ncd2020@linkintime.co.in
Investor Grievance mail: iifl.ncd2020@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer : B. N Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Statutory Auditor:**M/s. V. Sankar Aiyar & Co**

2-C, Court Chambers, 35, New Marine Lines,

Mumbai – 400020

Tel.:022-22004465

Email: mumbai@vsa.co.in

Membership No: 046050

Firm Registration No: 109208W

Contact Person: G. Sankar

M/s. V.Sankar Aiyar & Co has been the statutory auditors of our Company since June 07, 2020.

Credit Rating Agencies:**CRISIL Limited**

CRISIL House, Central Avenue,

Hiranandani Business Park,

Powai, Mumbai- 400 076

Tel: +91-22-3342 3000

Fax: +91-22-3342 3050

Email: crisilratingdesk@crisil.com

Website: www.crisil.com

Contact Person: Krishnan Sitaraman

SEBI Registration No: IN/CRA/001/1999

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park, Kalena Agahara, Banerghatta Road,

Bengaluru - 560076

Tel: +91 8040409940

Fax: +91 8040409941

Email: info@brickworkratings.com

Website: www.brickworkratings.com

Contact Person: K.N. Suvarna

SEBI Registration No: IN/CRA/005/2008

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/001/1999

Legal Counsel to the Issue:**Khaitan & Co**

One World Centre,

10th & 13th Floor, Tower 1C,

841 Senapati Bapat Marg

Mumbai- 400 013

Tel: +91 22 6636 5000

Fax: +91 22 6636 5050

Website: www.khaitanco.com

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank and Refund Bank:

ICICI Bank Limited

Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai – 400020

Telephone: 022- 66818911/23/24

Fax: 022- 22611138

Email: kmr.saurabh@icicibank.com

Website: www.icicibank.com

Contact Person: Mr. Saurabh Kumar

SEBI Registration Number: INBI00000004

Bankers to our Company

HDFC Bank Limited

FIG-OPS Department – Lodha,
I Think Techno Campus 0-3 Level,
Next to Kanjurmarg Railway Station, Kanjurmarg (East),
Mumbai - 400042

Tel: +91 22 30752927/28/2914

Fax: +91 22 25799801

Email: Vincent.Dsouza@hdfcbank.com, Siddarth.Jadhav@hdfcbank.com, Prasanna.Uchil@hdfcbank.com,
Neerav.Desai@hdfcbank.com

Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil and Neerav Desai

Website: www.hdfcbank.com

CIN: L65920MH1994PLC080618

Self-Certified Syndicate Banks

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 <https://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 Members of the Syndicate at Specified Locations, see the website of SEBI at <https://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 the 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 and the ASBA Circular, 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 Exchange(s) 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 Tranche I Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and NSE for CRTAs and CDPs, as updated from time to time.

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”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh 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 ₹ 10 lakh 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 ₹ 50 lakh or with both.

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 (i.e. ₹ 750 million). If our Company does not receive the minimum subscription of 75% of Base Issue Size (i.e. ₹ 750 million), prior to the Tranche I 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 Tranche I 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 Account(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.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated CRISIL AA/Negative (pronounced as CRISIL Double A rating with Negative outlook) for an amount of Rs. 50,000 million by CRISIL Ratings Limited vide their rating letter dated June 26, 2020 and revalidated vide letter dated December 21, 2020 and further revalidated vide letter dated February 08, 2021, and BWR AA+/Negative (pronounced as BWR Double A Plus with Negative outlook) for an amount of Rs. 50,000 million by Brickworks Ratings India Private Limited vide their rating letter dated June 30, 2020 and revalidated vide letter dated December 22, 2020 and further revalidated vide letter dated February 16, 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 Tranche I Prospectus for the rationale of the above ratings.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled “*Objects of this Tranche I Issue*” on page 35 of this Tranche I Prospectus.

Tranche I Issue Programme

TRANCHE I ISSUE PROGRAMME*	
TRANCHE I ISSUE OPENS ON	March 03, 2021
TRANCHE I ISSUE CLOSES ON	March 23, 2021

** The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche I 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 an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper on or before such earlier or extended date of Issue Closure. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. and 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 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 57 of this Tranche I Prospectus.*

Further please note that Application Forms for the Tranche I Issue shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, “IST”) (“Bidding Period”) during the Tranche I Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche I Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified

that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Tranche I Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche I Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Tranche) on the Tranche I Issue Closing Date. All times mentioned in this Tranche I Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche I Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). 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 faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

MATERIAL DEVELOPMENTS

There are no material developments in relation to our Company as disclosed in the sections titled “Risk Factors”, “Selected Financial Information”, “Capital Structure”, “Summary of Business”, “Our Business”, “Regulations and Policies”, “Our Management”, “History and Main Objects”, “Financial Indebtedness”, “Outstanding Litigations”, “Material Developments” and “Main Provisions of the Articles of Association of the Company” in the Shelf Prospectus which would make them misleading in any material respect. All disclosures made in this Tranche I Prospectus, read together with the Shelf Prospectus as the “Prospectus” with respect to Tranche I Issue are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue. The 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 material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

OBJECTS OF THIS TRANCHE I ISSUE

Tranche I Issue Proceeds

Public Issue by the Company of unsecured subordinated redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“**Unsecured NCDs**”) for an amount of ₹ 1,000 Million (“**Base Issue Size**”) with an option to retain oversubscription up to ₹ 9,000 Million amounting to ₹ 10,000 Million (“**Tranche I Issue Limit**”) (“**Tranche I Issue**”) which is within the Shelf Limit of ₹ 50,000 Million and is being offered by way of this Tranche I Prospectus dated February 24, 2021 containing inter alia the terms and conditions of Tranche I Issue (“**Tranche I Prospectus**”), which should be read together with the Shelf Prospectus dated February 24, 2021 (“**Shelf Prospectus**”). The Unsecured Debentures will be in the nature of Subordinated Debt and will be eligible for inclusion as Tier II Capital.

Our Company is in the business of financing, and as part of our business operations, we raise/avail funds for onward lending, for repayment/ prepayment of borrowings and general corporate purposes.

1. Our Company proposes to utilise the funds which are being raised through this Tranche I Issue, after deducting the Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), towards funding the following objects i.e. onward lending, financing, refinancing the existing indebtedness of our Company (payment of interest and/or repayment/prepayment of principal of borrowings (collectively, referred to herein as the “**Objects**”), and;
2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Tranche I Issue and also the activities which our Company has been carrying on till date.

The Tranche I Issue is being made pursuant to the provisions of the SEBI Debt Regulations, the Companies Act and rules made thereunder as amended to the extent notified.

The details of the Proceeds of the Tranche I Issue are set forth in the following table:

Sr. No.	Description	Amount
1.	Gross Proceeds of the Tranche I Issue	10,000.00
2.	Less: Issue Related Expenses*	309.25
3.	Net Proceeds	9,690.75

(₹ in million)

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

Requirement of funds and Utilisation of Net Proceeds

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

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Issue Proceeds
1.	For the purpose of onward lending, financing, refinancing the existing indebtedness of IIFL Finance Limited (payment of the interest and/or repayment /prepayment of principal of borrowings)#	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 under (1) 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 Tranche I Issue, in compliance with the SEBI Debt Regulations.

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

Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have 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 as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

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 2021, 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 pertaining to the Issue and receipt of final listing and trading approval from the Stock Exchanges.

Tranche I Issue expenses

A portion of this Tranche I Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be specified in at this Tranche I Prospectus:

Particulars	Amount (₹ in crores)	As percentage of Tranche I Issue proceeds (in %)	As percentage of total expenses of the Tranche I Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees	8.75	0.09%	2.83%
Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee	279.00	2.79%	90.22%
Advertising and Marketing, Printing and Stationery Costs	19.00	0.19%	6.14%
Other Miscellaneous Expenses	2.50	0.03%	0.81%
Grand Total	309.25	3.09%	100.00%

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

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Members of the Syndicate/ Sub- Members of the Syndicate /Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of INR 15 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹8 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Other Confirmation

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

No part of the proceeds from this Tranche I Issue will be paid by us as consideration to our Promoter, our Directors, KMP, or companies promoted by our Promoter.

The Tranche I Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs 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 of the Tranche I 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.

All monies received out of the Tranche I Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Tranche I Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Tranche I Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche I Issue.

Details of all unutilised monies out of the Tranche I Issue, 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.

We shall utilize the Tranche I Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Tranche I Prospectus in the section titled "***Issue Related Information***" beginning on page 57 of this Tranche I Prospectus.

No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Tranche I Issue.

The Tranche I 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.

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.

Variation in terms of contract or objects in Tranche I Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in this Tranche I Prospectus or objects for which this Tranche I Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Utilisation of the proceeds of the Tranche I Issue

- (a) All monies received out of the Tranche I Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of the Tranche I 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.
- (c) Details of all unutilised monies out of issue of Unsecured 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) The details of all utilized and unutilised 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;
- (e) We shall utilize the Tranche I Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche I Prospectus, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue, i.e. ₹ 750 million.
- (f) The Tranche I 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.

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

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

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Tranche I Issue

At the meeting of the Board of Directors of our Company held on May 28, 2020, the Board of Directors approved the issuance of Unsecured NCDs of the face value ₹ 1,000 (Indian Rupees One Thousand only) each and/or Unsecured NCDs of the face value ₹ 1000 (Indian Rupees One Thousand only) each, aggregating up to ₹ 50,000 million (Indian Rupees Fifty Thousand million only) (“**Shelf Limit**”) to the public, hereinafter called the “**Issue**”.

Further, the present borrowing is within the borrowing limits of ₹ 350,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of Company at the Annual General Meeting held on September 30, 2019.

Prohibition by SEBI

Our Company, persons in control of our Company and/or the Promoters and/or the Directors have not been restrained, 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 the IIFL group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Wilful Defaulter

Our Company, 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.

Eligibility to make the Tranche I Issue

Our Company or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

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* AND EQUIRUS CAPITAL PRIVATE LIMITED HAVE CERTIFIED THAT 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 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* AND EQUIRUS CAPITAL PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 24, 2021, WHICH READS AS FOLLOWS:

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY**

ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY;

- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE UNSECURED NCDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN;**
- 3. WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED;**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED JUNE 30, 2020 FILED WITH THE BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED. BSE LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THIS 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*

DISCLAIMER CLAUSE OF THE BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED JULY 09, 2020, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF

ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS “NSE”). NSE HAS GIVEN VIDE ITS LETTER REF.: NSE/LIST/0079 DATED JULY 09, 2020 AND AN EXTENSION OF VALIDITY FOR THREE MONTHS VIDE LETTER DATED DECEMBER 28, 2020 PERMISSION TO THE ISSUER TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THE ISSUER’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THE DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THE ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THE ISSUER’S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF THE RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MARCH 06, 2020 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RESERVE BANK OF INDIA ACT, 1934. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS TRANCHE I PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT.

HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES 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 THAT WE PROVIDE (EACH A “REPORT”). 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 PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL 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 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 RATING 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 ASSUMES NO OBLIGATION TO UPDATE ITS OPINIONS FOLLOWING PUBLICATION IN ANY FORM OR FORMAT ALTHOUGH CRISIL MAY DISSEMINATE ITS OPINIONS AND ANALYSIS. CRISIL RATING 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 OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

NEITHER CRISIL NOR ITS AFFILIATES, THIRD PARTY PROVIDERS, AS WELL AS THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY, "CRISIL PARTIES") GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE REPORT, AND NO CRISIL 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 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 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'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 CRISIL RATINGS ARE AVAILABLE HERE: WWW.CRISILRATINGS.COM.

CRISIL AND ITS AFFILIATES DO NOT ACT AS A FIDUCIARY. WHILE CRISIL HAS OBTAINED INFORMATION FROM SOURCES IT BELIEVES TO BE RELIABLE, CRISIL 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 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 CRISIL MAY HAVE INFORMATION THAT IS NOT AVAILABLE TO OTHER CRISIL BUSINESS UNITS. CRISIL HAS ESTABLISHED POLICIES AND PROCEDURES TO MAINTAIN THE CONFIDENTIALITY OF CERTAIN NON-PUBLIC INFORMATION RECEIVED IN CONNECTION WITH EACH ANALYTICAL PROCESS. CRISIL HAS IN PLACE A RATINGS CODE OF CONDUCT AND POLICIES FOR ANALYTICAL FIREWALLS AND FOR MANAGING CONFLICT OF INTEREST. FOR DETAILS PLEASE REFER TO: [HTTPS://WWW.CRISIL.COM/EN/HOME/OUR-BUSINESSES/RATINGS/REGULATORY-DISCLOSURES/HIGHLIGHTED-POLICIES.HTML](https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html).

CRISIL'S RATING CRITERIA ARE GENERALLY AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE CRISIL PUBLIC WEB SITE, WWW.CRISIL.COM. FOR LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL 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.

DISCLAIMER STATEMENT OF BRICKWORKS RATINGS INDIA PRIVATE LIMITED

BRICKWORK RATINGS (BWR) HAS ASSIGNED THE RATING BASED ON THE INFORMATION OBTAINED FROM THE ISSUER AND OTHER RELIABLE SOURCES, WHICH ARE DEEMED TO BE ACCURATE. BWR HAS TAKEN CONSIDERABLE STEPS TO AVOID ANY DATA DISTORTION; HOWEVER, IT DOES NOT EXAMINE THE PRECISION OR COMPLETENESS OF THE INFORMATION OBTAINED. AND HENCE, THE INFORMATION IN THIS REPORT IS PRESENTED "AS IS" WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND. BWR DOES NOT MAKE ANY REPRESENTATION IN RESPECT TO THE TRUTH OR ACCURACY OF ANY SUCH INFORMATION. THE RATING ASSIGNED BY BWR SHOULD BE TREATED AS AN OPINION RATHER THAN A RECOMMENDATION TO BUY, SELL OR HOLD THE RATED INSTRUMENT AND BWR SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS REPORT OR ITS CONTENTS. BWR HAS THE RIGHT TO CHANGE, SUSPEND OR WITHDRAW THE RATINGS AT ANY TIME FOR ANY REASONS.

DISCLAIMER STATEMENT OF CRISIL LIMITED

CRISIL RESEARCH, A DIVISION OF CRISIL LIMITED (CRISIL) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THIS REPORT (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 ENTITY COVERED IN THE REPORT AND NO PART OF THIS REPORT 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 ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THIS REPORT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE REPORT IS TO BE CONSTRUED AS CRISIL PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. IIFL FINANCE LIMITED (FORMERLY IIFL HOLDINGS LIMITED) WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE REPORT OR PART THEREOF OUTSIDE INDIA. CRISIL RESEARCH OPERATES INDEPENDENTLY OF, AND DOES NOT HAVE ACCESS TO INFORMATION OBTAINED BY CRISIL'S RATINGS DIVISION / CRISIL RISK AND INFRASTRUCTURE SOLUTIONS LTD (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 / CRISIL. NO PART OF THIS REPORT MAY BE PUBLISHED/REPRODUCED IN ANY FORM WITHOUT CRISIL'S PRIOR WRITTEN APPROVAL.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS TRANCHE I 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/ THEIR 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
Equirus Capital Private Limited	www.equirus.com

Listing

The NCDs offered through this Tranche I Prospectus are proposed to be listed on both the NSE and BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter reference number DCS/BM/PI-BOND/002/20-21 dated July 09, 2020 and from NSE *vide* their letter reference no. NSE/LIST/0079 dated July 09, 2020 and an extension of validity for three months *vide* letter dated December 28, 2020. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company shall ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchanges mentioned above, are taken within 6 (six) Working Days from Tranche I 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 within the series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer to the Issue (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Public Issue Account Bank; (h) Refund Bank; (i); Sponsor Bank; (j) Bankers to Company; (k) Lead Brokers/Members of the Syndicate (l) CRISIL; (m) Brickwork, (n) the Debenture Trustee; and (o) CRISIL (for NBFC Report 2020), have been obtained and the same will be filed along with a copy of the Shelf Prospectus and the Tranche I Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Tranche I Prospectus to the ROC.

Our Company has received written consent dated February 24, 2021 from the Statutory Auditors namely, M/s. V Sankar Aiyar & Co., Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in the 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 each dated June 27, 2020 on our Reformatted Standalone Financial Statements as per Ind AS, (ii) examination report dated June 27, 2020 on our Reformatted Consolidated Financial Statements as per Ind AS, (iii) examination report dated June 27, 2020 on our Reformatted Standalone Financial Statements as per IGAAP, (iv) examination report dated June 27, 2020 on our Reformatted Consolidated Financial Statements as per IGAAP; (v) Audit Report dated July 21, 2020 on Interim Condensed Standalone Financial Statement; (vi) Audit Report dated July 21, 2020 on Interim condensed Consolidated Financial Statement; (vii) Limited Review Report dated January 29, 2021 on Unaudited Ind AS Standalone Financial Information; (viii) Limited Review Report dated January 29, 2021 on Unaudited Ind AS Consolidated Financial Information; (ix) their report dated February 24, 2021 on the statement of tax benefits, and such consent has not been withdrawn as on the date of this Tranche I Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Tranche I Prospectus:

- Our Company has received written consent dated February 24, 2021 from the Statutory Auditors namely, M/s. V Sankar Aiyar & Co., Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in the 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 each dated June 27, 2020 on our Reformatted Standalone Financial Statements as per Ind AS, (ii) examination report dated June 27, 2020 on our Reformatted Consolidated Financial Statements as per Ind AS, (iii) examination report dated June 27, 2020 on our Reformatted Standalone Financial Statements as per IGAAP, (iv) examination report dated June 27, 2020 on our Reformatted Consolidated Financial Statements as per IGAAP; (v) Audit Report dated July 21, 2020 on Interim Condensed Standalone Financial Statement; (vi) Audit Report dated July 21, 2020 on Interim condensed Consolidated Financial Statement; (vii) Limited Review Report dated January 29, 2021 on Unaudited Ind AS Standalone Financial Information; (viii) Limited Review Report dated January 29, 2021 on Unaudited Ind AS Consolidated Financial Information; (ix) their report dated February 24, 2021 on the statement of tax benefits, and such consent has not been withdrawn as on the date of this Tranche I 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 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 (i.e. ₹ 750 million). If our Company does not receive the minimum subscription of 75% of Base Issue Size (i.e. ₹ 750 million), prior to the Tranche I 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 Tranche I 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.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the BSE and NSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website and forwarded to SEBI for record purpose.

Filing of the Shelf Prospectus and Tranche I Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and Tranche I 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 non-banking 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 the 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 31st 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.

Reservation

No portion of this Issue has been reserved.

Underwriting

The Issue is not underwritten.

Issue Related Expenses

The expenses of this Tranche I Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Lead Brokers/Syndicate, 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 Tranche I Issue expenses and listing fees will be paid by our Company.

The estimated break-up of the total expenses shall be as specified in the chapter "*Objects of the Tranche I Issue*" on page 35 of this Tranche I Prospectus.

Public / Rights Issues of Equity Shares

Public Issue:

Our Company has undertaken the following equity public issue prior to the date of the Shelf Prospectus:

Particulars	Public Issue
Date of Opening	April 21, 2005
Date of Closing	April 27, 2005
Total Issue Size (in ₹ Million)	902.74
Date of Allotment	May 10, 2005
Date of Listing	May 17, 2005
Utilisation of Proceeds	<ol style="list-style-type: none"> 1. Setting up a new centralised office of our company. 2. Investments in subsidiaries. 3. General corporate purposes related to acquisitions.

Rights Issue:

Our Company has not undertaken any rights issue of equity shares in the last 5 (five) years.

Public / Rights Issues (to the public) by our Group Companies in the last 5 (five) years from this Tranche I Prospectus:

Our Group Companies have undertaken the following public issues of debentures in the last 5 (five) years from the date of this Tranche I Prospectus:

1) India Infoline Finance Limited (Now merged with IIFL Finance Limited w.e.f. 30.03.2020)

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	₹ 20,000 million	₹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 Tranche I 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

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 (₹)	
							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 Rs. 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 Rs. 90,00,00,000 (Rupees Ninety Crores only) ('Maximum Buyback Size') at a price not exceeding Rs. 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 Rs. 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 this Tranche I Prospectus.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on December 31, 2020, 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 190 of the Shelf Prospectus.

Our Company has not issued any preference shares as on December 31, 2020.

Further, save and except as mentioned in this Tranche I Prospectus and hereinbelow, the Company has not issued any other debentures.

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 the equity shareholders of our Company over the last five years on a standalone basis

(₹ in million)

Particulars		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	For the year ended March 31, 2016
Equity Share Capital (₹ in Million)	-	756.68	755.72*	637.96	635.82	633.07
Face Value Per Equity Share (₹)	(a)	2.00	2.00	2.00	2.00	2.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	2.25	5.00	5.00	4.50	4.25
Total interim dividend on Equity Shares (₹ in Million)		817.05	1,725.75	1,592.38	1,429.19	1,340.80
Dividend Declared Rate (In %)	(c=b/a)	112.50%	250.00%	250.00%	225.00%	212.50%
Dividend tax (gross) on interim dividend (₹ in Million)		79.34	183.04	0.96	0.64	-

* Pursuant to the Composite Scheme of Arrangement, there was pending issuance of incremental equity shares as on appointed date i.e. April 01, 2018 of ₹ 117.31 million, the said shares were issued on March 30, 2020.

Dividend paid to the equity shareholders of our Company over the last five years on a consolidated basis

(₹ in million)

Particulars		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	For the year ended March 31, 2016
Equity Share						
Equity Share Capital (₹ in Million)		756.68	755.72*	637.96	635.82	633.07
Face Value Per Equity Share (₹)	(a)	2.00	2.00	2.00	2.00	2.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	2.25	5.00	5.00	4.50	4.25
Total interim dividend on Equity Shares (₹ in Million)		817.05	1,725.75	1,592.38	1,429.19	1,340.73
Dividend Declared Rate (In %)	(c=b/a)	112.50%	250.00%	250.00%	225.00%	212.50%
Preference Share						
Dividend on Preference Shares (₹ in Million)		-	-	-	20.43	272.92

* Pursuant to the Composite Scheme of Arrangement, there was pending issuance of incremental equity shares as on appointed date i.e. April 01, 2018 of ₹ 117.31 million, the said shares were issued on March 30, 2020.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated June 30, 2020 read with addendum to registrar agreement dated February 22, 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 Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges 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

Address: C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Maharashtra, India

Tel.: + 91 22 4918 6200;

Fax: + 91 22 4918 6195;

Email: iifl.ncd2020@linkintime.co.in;

Investor Grievance Email: iifl.ncd2020@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 7 (seven) 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.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

Sneha Patwardhan

Address: 802, 8th Floor, Hubtown Solaris,

N. S. Phadke Marg, Vijay Nagar,
 Andheri East, Mumbai – 400069
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: csteam@iifl.com

Investors may contact the Registrar to the Issue or the Compliance Officer to the Issue or in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers, etc.

Change in Auditors of our Company during the last three years

Details of change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Tranche I Prospectus as follows:

Name	Address	Date of appointment	Date of resignation	Remarks
M/s. V Sankar Aiyar & Co., Chartered Accountants Firm's Registration No. 109208W	2-C, Court Chambers, 35, New Marine Lines, Mumbai - 400020	June 07, 2020*	-	Appointment post resignation of earlier auditor
Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Tower 3, 27 th - 32 nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013.	-	June 07, 2020	Resignation on account of the auditor fee not being commensurate with the efforts involved for conducting the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and the changes in the reporting requirements.
Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Tower 3, 27 th - 32 nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013.	July 22, 2017	-	Appointment on the completion of the tenure of the earlier auditor
M/s. Sharp and Tannan Associates (Firm Registration No. 109983W)	87, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021	-	July 22, 2017	Resignation upon completion of tenure
M/s. Sharp and Tannan Associates (Firm Registration No. 109983W)	87, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021	September 25, 2003	-	Conclusion of Term as statutory Auditors

*M/s V Sankar Aiyar & Co, Chartered Accountants were appointed as Statutory Auditor under casual vacancy caused due to the resignation of M/s Deloitte Haskins & Sells LLP, Chartered Accountants to hold office from June 07, 2020, till the conclusion of this 25th Annual General Meeting (“AGM”). Further M/s V Sankar Aiyar & Co, Chartered Accountants were appointed as Statutory Auditor from the conclusion of 25th AGM held on June 30, 2020 till the conclusion of the 30th AGM to be held in the year 2025.

Details of overall lending by our Company as of March 31, 2020 on a standalone basis.

A. Type of loans:

The detailed break-up of the type of loans including bills receivables given by our Company as on March 31, 2020 is as follows:

(₹ in million)

S. No.	Type of Loans	Amount	Percentage of total Loan Book
1.	Secured Loan Book	133,391.93	83.08%
2.	Unsecured Loan Book	27,173.67	16.92%
	Asset under Management (“AUM”)	160,565.60	100.00%

B. Sectoral exposure as on March 31, 2020:

S. No.	Segment wise break up of AUM	Percentage of AUM
1.	Retail	
	(a) Mortgages (Home loans and loans against properties)	-
	(b) Gold loans	56.83%
	(c) Vehicle loans	-
	(d) MFI	-
	(e) MS&ME	18.21%
	(f) Capital market funding (loan against shares, margin funding)	2.81%
	(g) Others	-
2.	Wholesale	-
	(a) Infrastructure	-
	(b) Real Estate (including builder loans)	22.15%
	(c) Promoter funding	-
	(d) Others	-
	Total	100.00%

C. Denomination of the loans outstanding by ticket size as on March 31, 2020

S. No.	Ticket Size	Percentage of AUM
1.	Upto ₹ 0.2 million	44.68%
2.	₹ 0.2 million to ₹ 0.5 million	11.19%
3.	₹ 0.5 million to ₹ 1 million	8.50%
4.	₹ 1 million to ₹ 2.5 million	6.46%
5.	₹ 2.5 million to ₹ 5 million	2.85%
6.	₹ 5 million to ₹ 10 million	0.26%
7.	₹ 10 million to ₹ 50 million	1.45%
8.	₹ 50 million to ₹ 250 million	1.32%
9.	₹ 250 million to ₹ 1000 million	11.12%
10.	Above ₹ 1000 million	12.17%
	Total	100.00%

D. Denomination of loan outstanding by LTV* as on March 31, 2020

S. No.	LTV	Percentage of AUM*
1.	Up to 40%	9.88%
2.	40% - 50%	10.88%
3.	50% - 60%	14.93%
4.	60% - 70%	33.45%
5.	70% - 80%	29.65%
6.	80% - 90%	1.06%
7.	More than 90%	0.15%
	Total	100.00%

- *LTV as at March 31, 2020
 *Percentage of AUM of secured lending book
 *LTV at the time of origination

E. Geographical Classification of IIFL's borrowers as on March 31, 2020

S. No.	Top five States	Percentage of AUM
1.	Maharashtra	28.09%
2.	Gujarat	15.38%
3.	Delhi	10.95%
4.	Andhra Pradesh	10.61%
5.	West Bengal	6.37%
	Others	28.60%
	Total	100.00%

F. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2020

(₹ in million)

Particulars	Details
Total advances to twenty largest borrowers	29,237.60
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	22.29%

G. Aggregated exposure to top 20 borrowers with respect to concentration of exposure as on March 31, 2020

(₹ in million)

Particulars	Details
Total exposure to twenty largest borrowers	29,900.14
Percentage of exposure to twenty largest borrowers to total exposure of the NBFC	22.53%

H. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2020:

1. Movement of Gross NPAs

(₹ in million)

S. No.	Particulars	Amount
1.	Opening balance	4,148.94
2.	Additions during the year	3,462.58
3.	Reductions during the year	3,481.05
4.	Closing balance	4,130.47

2. Movement of provisions for NPAs (excluding provisions on standard assets)

(₹ in million)

S. No.	Particulars	Amount
1.	Opening balance	3,313.91
2.	Provisions made during the year	2,459.98
3.	Write-off / write-back of excess provisions	2,800.74
4.	Closing balance	2,973.15

3. Segment-wise gross NPA as on March 31, 2020:

S. No	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
A	Digital	-
b	Loan Against Property	-
c	Loan Against Shares	0.00%

S. No	Segment-wise gross NPA	Gross NPA (%)
d	Construction & Real Estate Finance	-
e	Gold Loans	0.30%
f	MSME & Others	7.89%
g	Promoter	-
2	Wholesale	
a	Infrastructure	-
b	Real Estate (including builder loans)	4.98%
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		3.15%

- I. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter, available at page 249 of the Shelf Prospectus.

Onward lending to borrowers forming part of the “Group” as defined by RBI, as on December 31, 2020:

Name of the Borrower (A)	Amount of advances / exposures to such Borrower (Group) (B) (₹ in crores)	Percentage of exposure (C) = B/Total AUM
NIL		

- J. Residual Maturity Profile of Assets and Liabilities as on December 31, 2020

(₹ 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	11,072.52	13,896.80	21,064.37	28,443.22	28,669.32	39,012.85	3,693.26	1,644.69	1,47,497.04
Reserves and Surplus	-	-	-	-	-	183.55	-	11,853.33	12,036.89
Investment	696.23	6,402.34	2,840.19	16,970.40	38,688.03	63,548.96	14,392.39	4,764.13	1,48,302.67
Borrowings	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

- K. Concentration of Exposure and NPA as of March 31, 2020

(₹ in million)

Particulars	Amount
Concentration of Exposures	
Total advances to twenty largest borrowers	29,900.14

Particulars	Amount
Percentage of exposure to twenty largest borrowers to total exposure of the NBFC	22.53%
Concentration of NPAs	
Total exposure to top four NPA accounts	2,481.73

- (a) Lending policy: For details on lending policy please see “*Our Business*” on page 120 of the Shelf Prospectus.
- (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. 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.
- (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. Accordingly, our Company has not provided any loans/advances to its group companies from the proceeds of previous public issue of debentures.

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 and this Tranche I 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 24 of the Shelf Prospectus, there are no reservations or qualifications or adverse remarks in the financial statements of our company in the last five financial years immediately preceding the Shelf Prospectus.

Trading

The Equity shares of our Company are listed on recognised stock exchanges i.e. BSE and NSE and the Debt securities issued to public by our Company, which are listed on BSE and NSE and Debt securities issued on private placement basis are listed on Wholesale Debt Market Segment of NSE and are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuations 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 III- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the details of the principal terms and conditions of the Tranche I Issue. This section should be read in conjunction with and is qualified in its entirety by further details in the sections titled “*Terms of the Issue*” and “*Issue Procedure*” on pages 63 and 76 of this Tranche I Prospectus.

The key common terms and conditions of the NCDs are as follows:

Issuer	IIFL Finance Limited
Type of instrument/ Name of the security	Unsecured Subordinated Redeemable NCDs
Nature of Indebtedness and Ranking / Seniority	Unsecured Subordinated Redeemable NCDs of face value of ₹ 1,000 each
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, IIFL Securities Limited* and Equirus Capital Private Limited <i>* 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.</i>
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	Link Intime India Private Limited
Base Issue Size	₹ INR 1,000 Million
Option to retain Oversubscription Amount	₹ INR 9,000 Million
Tranche I Issue/Tranche I Issue Size	Public Issue by the Company of unsecured subordinated redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“ Unsecured NCDs ”) for an amount of ₹ 1,000 Million (“ Base Issue Size ”) with an option to retain oversubscription up to ₹ 9,000 Million amounting to ₹ 10,000 Million (“ Tranche I Issue Limit ”) (“ Tranche I Issue ”) which is within the Shelf Limit of ₹ 50,000 Million and is being offered by way of this Tranche I Prospectus dated February 24, 2021 containing inter alia the terms and conditions of Tranche I issue (“ Tranche I Prospectus ”), which should be read together with the Shelf Prospectus dated February 24, 2021 (“ Shelf Prospectus ”) filed with the registrar of companies, Mumbai, Maharashtra (“ ROC ”), Stock Exchanges and Securities and Exchange Board of India (“ SEBI ”). The Shelf Prospectus and Tranche I Prospectus constitutes the prospectus “ Prospectus ”).
Total Issue Size/ Shelf Limit	₹ 50,000 Million
Eligible investors	See “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 76 of this Tranche I Prospectus
Objects of the Issue	See the chapter titled “ <i>Objects of this Tranche I Issue</i> ” on page 35 of this Tranche I Prospectus
Details of utilization of the proceeds	See the chapter titled “ <i>Objects of this Tranche I Issue</i> ” on page 35 of this Tranche I Prospectus.
Interest rate	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 63 of this Tranche I Prospectus
Description regarding security (where applicable) including type of security (movable/immovable/tangible)	The Company shall not create any Security under this Tranche I Issue for the Unsecured NCD Holders. Further, please refer to the section titled- “ <i>Issue related Information</i> ” in this Tranche I Prospectus and the Debenture Trust Deed to be executed for this Tranche I Issue. The

etc.) type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Shelf Prospectus and this Tranche I Prospectus	Company shall pay interest of atleast 2% p.a. to the Unsecured NCD holders, over and above the coupon rate mentioned in this Tranche I Prospectus, if the Company fails to execute the Debenture Trust Deed within the stipulated regulatory timeframe.
Step up/ Step down interest rates	NA
Interest type	Fixed
Interest reset process	NA
Issuance mode of the instrument	In dematerialised form only
Frequency of interest payment	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 63 of this Tranche I Prospectus
Interest payment date	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 63 of this Tranche I Prospectus
Day count basis	Actual/ Actual
Interest on application money	NA
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	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 63 of this Tranche I Prospectus
Redemption Date	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 57 of this Tranche I Prospectus.
Redemption Amount	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 57 of this Tranche I Prospectus.
Redemption premium/ discount	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 57 of this Tranche I Prospectus.
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put option date	NA
Put option price	NA
Call option date	NA
Call option price	NA
Put notification time	NA
Call notification time	NA
Face value	₹ 1,000/- per NCD
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000/- (1 NCD) thereafter
Market Lot/ Trading Lot	One NCD
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/Negative (pronounced as CRISIL Double A rating with Negative outlook) for an amount of ₹50,000 million by CRISIL Ratings Limited vide their rating letter dated June 26, 2020 and revalidated vide letter

	dated December 21, 2020 and further revalidated vide letter dated February 08, 2021 and BWR AA+/Negative (pronounced as BWR Double A Plus with Negative outlook) for an amount of ₹ 50,000 million by Brickworks Ratings India Private Limited vide their rating letter dated June 30, 2020 and revalidated vide letter dated December 22, 2020 and further revalidated vide letter dated February 16, 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. For the rating letter and rationale for these ratings, see Annexure A and Annexure B of this Tranche I Prospectus.
Listing	The NCDs are proposed to be listed on BSE & NSE. BSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 6 (six) Working Days from the date of Tranche I Issue Closing Date. For more information, see “ <i>Other Regulatory and Statutory Disclosures – Listing</i> ” on page 39 of this Tranche I Prospectus.
Modes of payment	See <i>Issue Procedure – Terms of Payment</i> ” on page 76 of this Tranche I Prospectus.
Issuance mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only
Tranche I Issue opening date	March 03, 2021
Tranche I Issue closing date**	March 23, 2021
Settlement mode of instrument	In dematerialised form only
Record date	<p>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 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.</p> <p>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.</p>
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Not Applicable
Issue Documents/ Offer Documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I 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 this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Public Issue Account and Sponsor Bank Agreement and the Lead Broker Agreement. For further details see the chapter titled “ <i>Material Contracts and Documents for Inspection</i> ” on page 117 of this Tranche I Prospectus.

Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement. See “ General Information - Utilisation of Issue Proceeds ” on page 25 of this Tranche I Prospectus
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See “ General Information - Utilisation of Issue Proceeds ” on page 25 of this Tranche I Prospectus
Events of default / cross default (including manner of voting/conditions of joining Inter Creditor Agreement)	See “ Terms of the Issue – Events of Default ” on page 63 of this Tranche I Prospectus
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)	The Debenture Trustee may, with the consent of all the Debenture Holder(s)/ Beneficial Owner(s), at any time, waive on such terms and conditions as it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee or the Debenture Holder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof.
Deemed date of Allotment	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors/ or the Finance Committee to the Stock Exchange(s). 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 shall be available to the Debenture holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See “ Terms of the Issue – Trustees for the Unsecured NCD holders ” on page 63 of this Tranche I Prospectus.
Risk factors pertaining to the Issue	Please see section titled “ Risk Factors ” on page 24 of the Shelf Prospectus
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.

**** 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 the 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 Tranche I Issue Period. On the Tranche I 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 57 of this Tranche I Prospectus.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

Please refer to Schedule D for details pertaining to the cash flows of the Company in accordance with the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Terms of payment

The entire amount of face value of 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 amount 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 Shelf Prospectus and this Tranche I Prospectus.

Participation by any of the above-mentioned Investor classes in this Tranche I 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 Tranche I 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.

The terms of each series of NCDs are set out below:

Series	I*	II	III
Frequency of Interest Payment	Annual	Monthly	At Maturity
Minimum Application	(₹10,000, 10 NCDs) across all Series		
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000		
In Multiples of thereafter (₹)	₹ 1,000/- (1 NCD)		
Tenor (in months)	87	87	87
Coupon (% per annum) for NCD Holders in all Category	10.00%	9.60%	NA
Effective Yield (% per annum) for NCD Holders in all Category	10.00%	10.03%	10.03%
Mode of Interest Payment	Through various mode available		
Amount (Rs / NCD) on Maturity for NCD Holders in all Category	1,000	1,000	2,000
Put and Call Option	NA	NA	NA

1. With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.
2. Subject to applicable tax deducted at source, if any.
3. Please refer to Schedule D for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.
4. *Our Company would allot the Series I Unsecured NCDs, as specified in this Tranche I Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of NCDs.

Also, the default Series (where the investor does not select a Series) will be series I, annual coupon.

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 chapter titled “*Issue Procedure*” on page 76 of this Tranche I Prospectus.

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 May 28, 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 September 30, 2019 up to an amount of ₹ 350,000 Million.

Principal Terms & Conditions of this 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 the Shelf Prospectus, this Tranche I Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee 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, 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 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.

Debenture Trust Deed

Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee for the benefit of the Unsecured NCD Holders, the terms of which will *inter alia* govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed before the Allotment of Unsecured NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with Debenture Trustee that it will pay the Unsecured NCDs Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the Unsecured NCDs at the rates specified in this Tranche I Prospectus and Debenture Trust Deed.

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 non-banking 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 Financial Year 2019-20 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 Tranche I 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 31st 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 ₹ 1,000.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for a lumpsum fee amounting to ₹ 500,000 (Plus the applicable taxes) for the services as agreed in terms of the consent letter dated June 29, 2020

Terms of carrying out due diligence:

- (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.
- (e) 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.

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 Unsecured NCD Holders, (subject to being indemnified and/or secured by the Unsecured 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.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

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; and
- (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.

Unsecured NCD Holder not a Shareholder

The Unsecured 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 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. For the Unsecured NCDs issued in dematerialized form, the Depositories shall also maintain upto date record of holders of the Unsecured NCDs in dematerialized Form. For Unsecured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. 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 NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Unsecured NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the Unsecured NCD Holders.
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 the Shelf Prospectus, our Memorandum and Articles of Association, the terms of the Shelf Prospectus, this Tranche I 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 at least 21 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 Unsecured 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 Unsecured NCD holder, or first Unsecured NCD holder, along with other joint Unsecured NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person (being an individual) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the 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 Unsecured 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 Unsecured NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to Unsecured NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of Unsecured 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, Corporate Office or with the Registrar to the Issue.

Unsecured 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 Unsecured 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

NCDs being issued through this Tranche I Prospectus, in dematerialised form only, can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this 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 Exchanges 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. 76 of this Tranche I Prospectus.

Transfer/Transmission of Unsecured 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.

Procedure for rematerialisation of Unsecured NCDs

Unsecured NCD Holders who wish to hold the Unsecured 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 Unsecured NCDs who propose to rematerialize their Unsecured 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 Unsecured NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of Unsecured NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Restriction on transfer of Unsecured NCDs

There are no restrictions on transfers and transmission of Unsecured NCDs allotted pursuant to this Tranche I Issue except as may be required under RBI requirements and as provided in our Articles of Association. 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 April 1, 2019. However, any trading of the NCDs issued pursuant to Tranche I Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the Unsecured 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 Unsecured NCDs 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 Unsecured NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of Unsecured 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 Unsecured NCDs will need to be settled with the seller of the Unsecured NCDs and not with our Company or the Registrar.

Register of Unsecured NCD Holders

No transfer of title of any Unsecured NCD will be valid unless and until entered on the Register of Unsecured NCD Holders or the register and index of Unsecured 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 Unsecured 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 Unsecured NCDs will need to be settled with the seller of the Unsecured 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 Unsecured NCDs as well.

Succession

Where Unsecured NCDs are held in joint names and one of the joint holder dies, the survivor(s) will be recognized as the Unsecured NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased Unsecured 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 Unsecured 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 Unsecured 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 Unsecured NCD Holders who are holding Unsecured NCDs in dematerialized form, third person is not required to approach our Company to register his name as successor of the deceased Unsecured NCD Holder. The Unsecured 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 Unsecured 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.

Procedure for Re-materialization of Unsecured NCDs

Debenture Holders who wish to hold the Unsecured 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 Unsecured NCDs who propose to rematerialise their Unsecured 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 Unsecured NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of Unsecured NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

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 Unsecured NCDs

Unsecured NCD Holders who wish to hold the Unsecured 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 Unsecured NCDs who propose to rematerialize their Unsecured 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 Unsecured NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of Unsecured NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Tranche I Issue Programme

TRANCHE I ISSUE PROGRAMME*	
TRANCHE I ISSUE OPENS ON	March 03, 2021
TRANCHE I ISSUE CLOSES ON	March 23, 2021

**The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors/ or the Finance Committee. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue Closure. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. and 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 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 57 of this Tranche I Prospectus.*

*Further please note that Application Forms for the Tranche I Issue shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") ("**Bidding Period**") during the Tranche I Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche I Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Tranche I Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche I Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Tranche I Issue Closing Date. All times mentioned in this Tranche I Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche I Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). 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 faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Interest and Payment of Interest

Interest on Unsecured NCDs

Series I Unsecured NCD

In case of Series I Unsecured NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of Unsecured NCD Holders	Coupon (%)
Category I, II, III & IV	10.00%

Series I Unsecured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 87 months from the Deemed Date of Allotment.

Series II Unsecured NCD

In case of Series II Unsecured NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series II Unsecured NCD:

Category of Unsecured NCD Holders	Coupon (%)
Category I, II, III & IV	9.60%

Series II Unsecured NCDs shall be redeemed at the face value thereof along with the interest accrued thereon, if any, at the end of 87 months from the Deemed Date of Allotment.

Series III Unsecured NCD

In case of Series III Unsecured NCDs, the Unsecured NCDs shall be paid interest along with the principal and would be redeemed at the end of 87 months from the Deemed Date of Allotment as mentioned below:

Category of Unsecured NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III & IV	1,000	2,000

Payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of Unsecured NCDs shall be determined at the time of Allotment of Unsecured NCDs. Unsecured NCDs once allotted under any particular Series of Unsecured NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Unsecured NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of Unsecured NCDs between the categories of persons or entities in the secondary market.

We 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.

We may offer the facility of NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Unsecured 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 73 of this Tranche I Prospectus.

Payment of Interest will be made to those Unsecured NCD Holders whose names appear in the register of Unsecured NCD Holders (or to first holder in case of joint-holders) as on Record Date. For Unsecured NCDs subscribed, in respect to Series II, where the interest is to be paid on a monthly basis, relevant interest will be

calculated on an actual/actual basis on the amount outstanding from time to time commencing from the Deemed Date of Allotment during the tenor of such Unsecured NCDs. For NCDs subscribed, in respect to Series II, where the interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last day of every month during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed along with the interest of the subsequent month and paid on the first day of the month next to that subsequent month. For example, assuming Deemed Date of Allotment (tentative) as January 13, 2021, first interest payment will be from the Deemed Date of Allotment till February 28, 2021 and will be paid on March 1, 2021.

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. 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 on page 59 of this Tranche I Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche I 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 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 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 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.

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/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in Schedule D in this Tranche I Prospectus.

Application Size

Each application should be for a minimum of 10 (ten) NCDs and multiples of 1 NCD thereafter (for all series of NCDs, namely Series I, Series II and Series III taken individually or collectively). The minimum application size for each application for Unsecured NCDs would be ₹ 10,000 and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all Series of Unsecured NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

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 ₹ 1,000 per NCD is payable on application. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Tranche I Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund / redemption in connection with the Unsecured 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 who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/Redemption 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. In relation to Unsecured 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.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Unsecured NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, regulatory 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 Unsecured 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.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche I Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with Regulation 8(1) of SEBI Debt Regulations. Material updates, if

any, between the date of filing of the Shelf Prospectus and this Tranche I Prospectus with ROC and the date of release of this statutory advertisement, will be included in the statutory advertisement.

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 Tranche I Issue at any time prior to the Tranche I Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the “General Information - Issue Programme” on page 25 of this Tranche I 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 hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Tranche I Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche I Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Tranche I 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 (i.e. ₹ 750 million). If our Company does not receive the minimum subscription of 75% of Base Issue Size (i.e. ₹ 750 million), prior to the Tranche I 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 Tranche I 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 Account(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 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 Tranche I 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) We shall utilise the Tranche I Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; and (ii) receipt of listing and trading approval from Stock Exchanges.
- (e) The Tranche I 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 utilised and unutilised 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 unutilised indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilised monies have been invested.

Filing of the Shelf Prospectus and this Tranche I Prospectus with the RoC

A copy of the Shelf Prospectus and this Tranche I 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 Tranche I 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 Tranche I 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 Tranche I Prospectus are proposed to be listed on the BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter no. DCS/BM/PI-BOND/002/20-21 dated July 9, 2020 and from NSE *vide* their letter no. NSE/LIST/0079 dated July 9, 2020 and an extension of validity for three months *vide* letter dated December 28, 2020 . For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchanges are taken within 6 (six) Working Days of the Tranche I 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

This Tranche I Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

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. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Unsecured NCD holders or deposits held in the account of the Unsecured NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the Unsecured NCD holders to the Company, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured/ unsecured debentures and/or raise secured/unsecured term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency after having requisite approvals, if required as per applicable laws.

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 (“Debt ASBA Circular”), 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. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. 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. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

In addition, specific attention is invited to SEBI Circular SEBI/HO/DDHC/CIR/P/2020/233 dated 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 Tranche I Prospectus.

Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value upto Rs. 2 Lac submitted through the app/web interface of the Stock Exchanges or through intermediaries (Lead Brokers, Registered Stockbrokers, 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 (“Debt ASBA Circular”).

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 Tranche I 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 THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES 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 TRANCHE I PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE(S) SHALL BE RESPONSIBLE

FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE(S).

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 the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

The information below is given for the benefit of the investors. Our Company and 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 Tranche I Prospectus.

Who can apply?

The following categories of persons are eligible to apply in this Tranche I Issue.

Category I – Institutional Investors

- Public financial institutions, scheduled commercial banks, and 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 ₹25 crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds registered with SEBI, 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 ₹500 crore in accordance with 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 or 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 or private charitable or 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), as amended;
- Association of persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III - High Net Worth Individual Investors

- 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 series of NCDs in this Tranche I Issue.

Category IV – Retail Individual Investors

- 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 series of NCDs in this Tranche I 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.

Please note that it is clarified that person(s) resident outside India shall not be entitled to participate in the Issue and any Application(s) from such persons are liable to be rejected.

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 or consents or approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Issue.

The information below is given for the benefit of Applicants. Our Company and the Members of the Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus.

How to apply?

Availability of the Shelf Prospectus, the Tranche I Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for Applicants who are persons resident in India.

Copies of the Shelf Prospectus, Tranche I Prospectus together with Application Forms, and Abridged Prospectus containing the salient features of the Shelf Prospectus, may be obtained from (i) our Company's Registered and Corporate Office, (ii) the office of the Lead Managers, (iii) offices of the brokers, (iii) the office of the Registrar to the Issue, (v) Designated RTA Locations for RTAs, (vi) Designated CDP Locations for CDPs, and (vii) the

Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, the Tranche I 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 and www.equirus.com.
- (ii) at the Designated Branches of the SCSBs and at the Specified Locations of the Members of the Syndicate.

Electronic Application Forms will also be available on the website of the Stock Exchanges and on the website of SCSBs that permit submission of Applications electronically. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading members of the Stock Exchanges can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Designated Intermediaries of the Stock Exchanges at their request.

Method of Application

In terms of the Debt ASBA Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

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 Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor 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 Members of the Syndicate 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 Exchanges 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.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue and their respective directors and officers, 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(s).

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. Lead Brokers, 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 Exchanges 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 Exchanges 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 Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchanges 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 Rs. 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>.

For further details please refer to 'Process for investor application submitted with UPI as mode of payment' on page 91 of this Tranche I Prospectus.

Application Size

Each application should be for a minimum of 10 NCDs across all series collectively and multiples of 1 NCD thereafter (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 across all series collectively and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

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.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 (“**SEBI Circular 2017**”), as amended by SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 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 (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized 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.

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 this Tranche I 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 investment; (iv) the certificate of registration from the RBI; and (v) a letter of authorisation.

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 this 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; (iv) IRDAI registration certificate, and (v) 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 SEBI AIF 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.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net worth of more than Rs. 50,000 lakh as per the last audited financial statement can apply in the 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) their memorandum and articles of association or charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; (iv) specimen signatures of authorised signatories; (v) certificate of registration issued by the RBI; (vi) latest audited financial statements; (vii) net worth certificate from the statutory auditor.

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.

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 this 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.

Applications by 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.

Applications by 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.

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.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

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 or 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 or regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund or 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) incorporation/ registration under any Act/Rules under which they are incorporated/registered, (ii) the trust deed in respect of the fund, if any,(iii) a resolution authorising investment and containing operating instructions; and (iv) 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.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Issue.

Applications cannot be made by:

- a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor applicant and the name of the guardian);
- b) Foreign nationals;
- c) Persons resident outside India;
- 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 Exchanges 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 Exchanges.

***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

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified 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 Designated 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 Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchange(s) 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 Exchanges bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. 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 Issue to the respective SCSB within 6 (six) 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 this Tranche I Issue or until rejection of the Application, as the case may be.

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.

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 also 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.

Applicants are advised not to submit Application Forms to Public Issue Account Banks as 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 the Tranche I Prospectus with ROC

A copy of the Shelf Prospectus and the Tranche I 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 this Tranche I 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 this Tranche I Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus, the Tranche I Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is

an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

- (f) 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.
- (g) Applicants applying for Allotment 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 the Stock Exchange(s) by the Designated Intermediaries, as the case may be, the Registrar to the Issue 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.
- (h) Applicants must ensure that their Application Forms are made in a single name.
- (i) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (j) Applicant 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 and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
- (k) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
- (l) Applications for all the series of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Syndicate nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot Unsecured Series I NCDs to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (in case applying through UPI Mechanism) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Syndicate nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange(s) by the Members of the Syndicate or the Designated Intermediaries, as the case may be, 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 is liable to be rejected and our Company, the Members of the Syndicate and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants 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 Tranche I Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

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 this Issue will be made into the accounts of the 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 four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications 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 UPI circulars 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 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 Exchanges and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Permanent Account Number (PAN)

The Applicant should mention his or her 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 general index register number i.e. 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.

Electronic registration of Applications

- (a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchanges. 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 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(s) will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Syndicate and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Syndicate and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange(s). This information will be available with the Members of the Syndicate 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(s), a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange(s), 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 series of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange(s).
- (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 Members of the Syndicate 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(s) 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(s); 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 the Shelf Prospectus or the Tranche I Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange(s).

- (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(s) 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(s). In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day until 1:00 PM 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.

Process for investor application submitted with UPI as mode of payment

- a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b. An 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 exchange App/ Web interface, or any other methods as may be permitted.
- c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.
- d. Once the bid has been entered in the bidding platform, the Stock Exchange 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 which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange 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 shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.
- h. The Sponsor Bank shall initiate a mandate request on the investor
- 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 public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.
- k. An 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. An 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 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 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 also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
- q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, 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.
- x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
 - i. Investor shall check the Issue details before placing desired bids;
 - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
 - iii. The receipt of the SMS for mandate acceptance is dependant upon the system response/ integration of UPI on Debt Public Issue System;
 - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;

- v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
 - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
 - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.
- xi. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 the investor shall also be responsible for the following:
- i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
 - ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
 - iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
 - iv. UPI mandate can be accepted 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.
 - v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
 - vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

General Instructions

Do's

- Check if you are eligible to apply in accordance with the terms of Shelf Prospectus, the Tranche I Prospectus and applicable law;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- 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;
- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;
- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) 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 in accordance with the Demographic Details evidencing the same.
- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;
- 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 the NCDs;
- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
- Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of INR 2,00,000 (Two Lakh);
- Investor 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
- Investors 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 and submit the application with any of the intermediaries or through the Stock Exchange(s) App/ Web interface
- 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;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Syndicate at the Specified Locations, or to the Designated Intermediaries, as the case may be;

- 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;
- 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
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;
- 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;
- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
- Tick the series of NCDs in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, demand draft, cheque, by money order, postal order or by stock invest;
- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not submit an Application Form using UPI ID, if the Application is for an amount more than INR 2,00,000;
- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue 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;
- Do not submit a bid using UPI ID, if you are not a Retail Individual Investor;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- 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;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or

your relevant constitutional documents or otherwise;

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Do not submit more than five Application Forms per ASBA Account;
- If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, please see the section titled “*Issue Procedure*” on page 76 of the Tranche I Prospectus.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). 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. 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.

Additional or Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, as specified in this Tranche I Prospectus, subject to a minimum Application size as specified in this Tranche I 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 Rs. 10 lacs shall be deemed 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 an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications. 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 of the sole or the first Applicant is one and the same.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (i) Tripartite Agreements dated July 27, 2020, and March 11, 2005, 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 this 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 Exchanges 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 (thirty) days.
- (vii) The trading of the NCDs on the floor of the Stock Exchange(s) shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue in accordance with 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 76 of the Tranche I Prospectus.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer of the Company 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(s) in case of any Post-Issue related problems, such as non-receipt of Allotment Advice or non-credit of NCDs in depository's beneficiary account, etc.

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 its 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.

An Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking 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;

- Application Amount blocked 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;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 (five) ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian (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;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stock invest or accompanied by cash/money order/postal order or any mode other than ASBA;
- 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;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- 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;
- Applications made without mentioning the PAN of the Applicant, 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;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;

- Application Forms from Applicants 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;
- Applications for an amount below the minimum Application size;
- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB or Sponsor Bank to block the Application Amount specified in the 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;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form 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;
- Applications not uploaded on the terminals of the Stock Exchange bidding system;
- Applications providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. 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 Members of the Syndicate, or other Designated Intermediaries, as the case may be;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed in accordance with the Application Form and in accordance with the instructions in the Application Form, the Shelf Prospectus and this Tranche I Prospectus;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;
- 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);
- SCSB making an 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;
- The UPI Mandate Request is not approved by the Retail Individual Investor; and
- 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.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Further, in the event of such non-convertible debentures issued not being listed within 15 days of investment or

issuance for any reason, the RFPIs are required to immediately dispose of those non-convertible debentures either by way of sale to a third party or to the issuer and the Company shall immediately redeem/ buyback those securities from the RFPIs in such an eventuality.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

- (i) **Direct Credit:** Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
- (ii) **NEFT:** Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (iii) **RTGS:** If the refund amount exceeds ₹ 2,00,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
- (iv) **Registered Post / Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All the cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.
- (v) 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 six Working Days of the Issue Closing Date.

The payment of refund, if any, may be done through the Registrar to the Issue who shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawal, rejection or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by post or email at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into arrangement with one or more banks in one or more cities for refund to the account of the Applicants through Direct Credit/ RTGS.

Further,

- (i) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- (ii) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;
- (iii) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within six Working days from the Issue Closing Date, for the

delay beyond 6 Working days in case of non-receipt of minimum subscription; and

- (iv) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Retention of oversubscription

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche I Issue up to the Tranche I Issue Limit i.e. aggregating up to ₹ 10,000 Million. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche I Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “Tranche I Issue Limit”.

Basis of Allotment

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the valid Applications for the purpose of drawing the basis of allocation.

Grouping of the Applications received will be then done in the following manner:

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”.

Allocation Ratio

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	40%	40%

- (a) *Allotments in the first instance:*

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10 % of Tranche I Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10 % of Tranche I Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40 % of Tranche I Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40 % of Tranche I Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with the Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled “Issue Procedure – Basis of Allotment” at page 76 of this Tranche I Prospectus.

As per the SEBI circular dated October 29, 2013, the allotment in this Tranche I Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

- (b) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the overall Tranche I Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.
- (d) Minimum Allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.
- (e) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche I Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

In case there is oversubscription in Tranche I Issue Limit, however there is under subscription in one or more Portion(s) Allotments will be made in the following order:

- (i) All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment
- (ii) In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform

of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period. For the sake of clarity, the day on which the entire remaining undersubscribed Portion is Allocated to the oversubscribed Portion(s), no allocation shall be made to any oversubscribed Portion(s) on the remaining days of the Issue Period.

- (f) *Proportionate Allotments: For each Portion, on the date of oversubscription:*
- i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
 - ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche I Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
 - iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.
- (g) *Applicant applying for more than one Series of Unsecured NCDs:* If an Applicant has applied for more than one Series of Unsecured NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of Unsecured NCDs applied for, the Series-wise allocation of Unsecured NCDs to such Applicants shall be in proportion to the number of Unsecured NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 3 (three) Series and in case such Applicant cannot be allotted all the 3 (three) Series, then the Applicant would be allotted Unsecured NCDs, at the discretion of the Company, the Registrar and the Lead Managers as may be decided at the time of Basis of Allotment.
- (h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche I Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche I Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche I Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series I Unsecured NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date by submitting a request for the same to Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of 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 Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar 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 Tranche I Issue at any time prior to the Tranche I Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue Size, i.e. ₹ 750 million before the Tranche I Issue Closing Date. Our Company shall allot Unsecured 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 Tranche I Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the Unsecured NCDs is lesser than the minimum subscription which is 75% of the Base Issue Size, i.e. ₹ 750 million before the Tranche I Issue Closing Date.

In the event of such early closure of the Tranche I Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche I Issue Closing Date of the Tranche I Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche I Issue have been given.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked or credited only to the bank account from which the subscription was blocked or remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including 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 (“**Debt ASBA Circular**”).

Revision of Applications

Pursuant to the notice no: 20120831-22 dated August 31, 2012 issued by the 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 under 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 under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise or modify their Application details during the Issue Period, as allowed or permitted by the Stock Exchange, 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 in accordance with 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 (till 1:00 PM) after the Issue Closing Date to modify or 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 this Tranche I Issue will be kept in separate bank accounts and we will have access to such funds in accordance with applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of this Issue

- All monies received out of this 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/unblocked within six Working days from the closure of this Tranche I Issue 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 prescribed under applicable law.
- 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 this 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 this 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 this Issue remains unutilized indicating the form in which such unutilised monies have been invested.
- We shall utilize proceeds of this 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; (d) execution of the Debenture Trust Deed; and (e) obtaining listing and trading approval from the Stock Exchange as stated in the Shelf Prospectus and this Tranche I Prospectus.
- Proceeds of this 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 this 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 Shelf Prospectus, and this Tranche I Prospectus will be listed on the BSE and NSE. Our Company has received an 'in-principle' approval from BSE *vide* their letter bearing reference number DCS/BM/PI-BOND/002/20-21 dated July 9, 2020 and from NSE *vide* their letter bearing reference number NSE/LIST/0079 dated July 9, 2020 and an extension of validity for three months *vide* letter dated December 28, 2020 . 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 Shelf Prospectus, and this Tranche I 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 6 Working Days from the Issue Closing Date for this Tranche I 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.

Guarantee/Letter of Comfort

This 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

We undertake that:

- a) the complaints received in respect of this 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 post shall be made available to the Registrar to the Issue by our Company;
- e) 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;
- f) 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;
- g) we shall disclose the complete name and address of the Debenture Trustee in our annual report and website;
- h) 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 the Shelf Prospectus and this Tranche I Prospectus; and
- i) we shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
- j) We shall create a recovery expense fund in the manner as may be specified by the Board from time to time and inform the Debenture Trustee about the same
- k) 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

STATEMENT OF TAX BENEFITS

To
The Board of Directors
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
8" Floor, Unit no 802, Hubtown Solaris,
N S Phadke Marg, Vijay Nagar,
Andheri East – Mumbai- 400 069

Dear Sirs,

Sub: PROPOSED PUBLIC ISSUE BY IIFL FINANCE LIMITED (FORMERLY KNOWN AS IIFL HOLDINGS LIMITED) (THE “COMPANY” OR THE “ISSUER”) OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES AND/OR UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES (THE “DEBENTURES” OR THE “NCDS”) AMOUNTING TO RS. 5,000 CRORE (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE UNSECURED NCDS WILL BE IN THE NATURE OF SUBORDINATED DEBT AND SHALL BE ELIGIBLE FOR TIER II CAPITAL.

The following note discusses the material tax provisions applicable to the Clients investing in the NCDs of IIFL Finance Limited (the “Company”) under the Income-tax Act, 1961 (the “IT Act”).

We have performed the following procedures:

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.

Because the above procedures do not constitute either an audit or review made in accordance with the Standard on Related Services (SRS) 4400, “Engagements to perform Agreed-upon procedures regarding Financial information”, issued by the Institute of Chartered Accountants of India, we do not express any assurance on the Statement of Tax Benefits, as set out in Annexure I.

We confirm that the Statement of Tax Benefits as set out in Annexure I materially covers all the provisions of the IT Act as amended with respect to Debenture Holders. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed in the enclosed Annexure I are not exhaustive. 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.

The contents of the enclosed Annexure I are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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.

We hereby consent to inclusion of the extracts of this certificate in the shelf prospectus and Tranche I Prospectus and/or any other document in relation to the Issue.

This certificate has been issued at the request of IIFL Finance Limited for use in connection with the Issue and may accordingly be furnished as required to the BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company’s advisors and intermediaries duly appointed in this regard.

For V Sankar Aiyar & Co
Chartered Accountants
ICAI Firm registration number: 109208W
UDIN: 21046050AAAACB5281

Per G Sankar

Partner

Membership No. 046050

February 24, 2021

Mumbai

ANNEXURE I

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 FPI, 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. 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.

5. 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.
6. 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.
7. 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.
8. 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.
9. 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

10. 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.
11. In the case of every domestic Indian company where total turnover or gross receipts does not 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.

12. 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:
- s) 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.

- t) 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.
 - u) 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 portfolio investors (FPIs)

- 1. As per Section 2(14) of the I.T. Act, any securities held by FPIs 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 FPIs 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 FPIs 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
- 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 FPIs 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. 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 FPIs.

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 become 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.

VI. 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 XVIIIB ("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.

VII. 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.
- Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

SECTION IV- OTHER INFORMATION

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, Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under this Tranche I Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated June 30, 2020 read with Addendum to Issue Agreement dated February 22, 2021 between our Company and the Lead Managers.
2. Registrar Agreement dated June 30, 2020 read with Addendum to Registrar Agreement dated February 22, 2021 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 29, 2020 executed between our Company and the Debenture Trustee and Addendum to the Debenture Trustee Agreement dated December 31, 2020 executed between our Company and the Debenture Trustee.
4. Tripartite agreement dated July 27, 2020 among our Company, the Registrar and CDSL.
5. Tripartite agreement dated March 11, 2005 among our Company, the Registrar and NSDL.
6. Public Issue Account and Sponsor Bank Agreement dated February 22, 2021 between our Company, the Lead Managers, Registrar to the Issue and ICICI Bank Limited.
7. Lead Broker Agreement dated February 22, 2021 among our Company, LMs and Lead Brokers.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated October 18, 1995 as a private limited company, issued by Registrar of Companies, Mumbai.
3. Fresh Certificate of Incorporation of our Company dated April 28, 2000, issued by Registrar of Companies, Mumbai, consequent upon conversion from private limited to public limited company and change of name of the Company to Probity Research & Services Limited.
4. Fresh Certificate of Incorporation of our Company dated May 23, 2000, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to India Infoline.Com Limited.
5. Fresh Certificate of Incorporation of our Company dated March 23, 2001, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to India Infoline Limited.
6. Fresh Certificate of Incorporation of our Company dated February 18, 2014, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Holdings Limited.
7. Fresh Certificate of Incorporation of our Company dated May 24, 2019, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Finance Limited.
8. Certificate of Registration dated March 06, 2020 bearing registration no. N-13.02386 issued by the Reserve Bank of India.

9. Copy of shareholders' resolution approved at the AGM dated September 30, 2019 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
10. Copy of the resolution approved by the Board of Directors dated May 28, 2020, approving the issue of NCDs.
11. Copy of the resolution approved by the Finance Committee at its meeting held on June 30, 2020 approving the Draft Shelf Prospectus.
12. Copy of the resolution approved by the Finance Committee at its meeting held on February 24, 2021, approving the Shelf Prospectus and this Tranche I Prospectus.
13. Letter dated June 26, 2020 and revalidation letter dated December 21, 2020 and further revalidated vide letter dated February 08, 2021, by CRISIL Limited assigning a rating of "AA/Negative" (pronounced as CRISIL double A rating with Negative outlook) for the Issue with rating rationale.
14. Letter dated June 30, 2020 and revalidation letter dated December 22, 2020 and further revalidated vide letter dated February 16, 2021, by Brickwork Ratings India Private Limited assigning a rating of 'AA+/Negative' (pronounced as BWR Double A plus with Negative outlook) for the Issue with rating rationale.
15. Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Public Issue Account Bank; (h) Refund Bank; (i) Sponsor Bank; (j) Bankers to Company; (k) Lead Brokers (l) CRISIL; (m) Brickwork, and (n) the Debenture Trustee; to include their names in the Shelf Prospectus and this Tranche I Prospectus, in their respective capacities and the NOCs received from trustees (acting for the benefit of lenders to our Company).
16. Consent of CRISIL Limited dated December 24, 2020 as the agency issuing the industry report titled 'NBFC Report 2020' forming part of the Industry Overview chapter.
17. Consent of the Statutory Auditors of the Company dated February 24, 2021, for inclusion of their name as an expert in respect of their (i) examination report each dated June 27, 2020 on our Reformatted Standalone Financial Statements as per Ind AS, (ii) examination report dated June 27, 2020 on our Reformatted Consolidated Financial Statements as per Ind AS, (iii) examination report dated June 27, 2020 on our Reformatted Standalone Financial Statements as per IGAAP, (iv) examination report dated June 27, 2020 on our Reformatted Consolidated Financial Statements as per IGAAP; (v) Audit Report dated July 21, 2020 on Interim Condensed Standalone Financial Statement; (vi) Audit Report dated July 21, 2020 on Interim Condensed Consolidated Financial Statement; (vii) Limited Review Report dated January 29, 2021 on Unaudited Ind AS Standalone Financial Information; (viii) Limited Review Report dated January 29, 2021 on Unaudited Ind AS Consolidated Financial Information; (ix) their report dated February 24, 2021 on the statement of tax benefits, and such consent has not been withdrawn as on the date of this Tranche I Prospectus.
18. The examination report dated June 27, 2020 in relation to the Reformatted Standalone Financial Statements as per Ind AS.
19. The examination report dated June 27, 2020 in relation to the Reformatted Consolidated Financial Statements as per Ind AS.
20. The examination report dated June 27, 2020 in relation to the Reformatted Standalone Financial Statements as per IGAAP.
21. The examination report dated June 27, 2020 in relation to the Reformatted Consolidated Financial Statements as per IGAAP.
22. Audit Report dated July 21, 2020 on Interim Condensed Standalone Financial Statement.
23. Audit Report dated July 21, 2020 on Interim Condensed Consolidated Financial Statement.

24. Limited Review Report dated January 29, 2021 on Unaudited Ind AS Standalone Financial Information.
25. Limited Review Report dated January 29, 2021 on Unaudited Ind AS Consolidated Financial Information.
26. Statement of tax benefits dated February 24, 2021 issued by the Statutory Auditors.
27. Annual Report of our Company for the last five Fiscals.
28. In-principle listing approval from BSE by its letter no DCS/BM/PI-BOND/002/20-21 dated July 09, 2020.
29. In-principle listing approval from NSE by its letter no NSE/LIST/0079 dated July 09, 2020 and an extension of validity for three months vide letter bearing reference number NSE/LIST/99246-1 dated December 28, 2020.
30. Due Diligence Certificate dated February 24, 2021 filed by the Lead Managers with SEBI.
31. The Business Transfer Agreement dated December 19, 2019 entered into between the Company and Samasta Microfinance Limited.
32. Shareholders Agreement between the Company and CDC Group PLC (CDC) dated December 17, 2018.
33. Trademark license agreement between the Company and IIFL Securities Limited dated March 19, 2019.
34. Business Transfer Agreement between the Company and IndoStar Capital Finance Limited dated February 03, 2019.
35. Business transfer agreement between the Company and IIFL Home Finance Limited dated June 29, 2019.

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 applicable legal requirements in connection with the Issue including the 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 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, in connection with the Issue have been complied with and no statement made in this Tranche I Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche I Prospectus.

We further certify that all the disclosures and statements in this Tranche I Prospectus 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, misleading and that this Tranche I Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Nirmal Bhanwarlal Jain
DIN: 00010535
Designation: Whole-time Director

Venkataraman Rajamani
DIN: 00011919
Designation: Managing Director

Vijay Kumar Chopra
DIN: 02103940
Designation: Independent Director

Arun Kumar Purwar
DIN: 00026383
Designation: Independent Director

Nilesh Shivji Vikamsey
DIN: 00031213
Designation: Independent Director

Nagarajan Srinivasan
DIN: 01480303
Designation: Non-Executive Director

Geeta Mathur
DIN: 02139552
Designation: Independent Director

Date: February 24, 2021
Place: Mumbai

DECLARATION

I, Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the 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 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, in connection with the Issue have been complied with and no statement made in this Tranche I Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche I Prospectus.

I further certify that all the disclosures and statements in this Tranche I Prospectus 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, misleading and that this Tranche I Prospectus does not contain any misstatements.

Signed by the Director of our Company

Chandran Ratnaswami
DIN: 00109215
Designation: Non-Executive Director

Date: February 24, 2021

Place: Canada

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM CRISIL LIMITED

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CONFIDENTIAL

IIHOLI/260459/NCD/122002895/1

February 8, 2021

Mr. Rajesh Rajak
Chief Financial Officer

IIFL Finance Limited
802, 8th Floor Hubtown Solaris,
N.S.Phadke Marg, Vijay Nagar,
Andheri (E),
Mumbai 400069

Dear Mr. Rajesh Rajak,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures*# of IIFL Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated December 21, 2020 bearing Ref. no.: IIHOLI/260459/NCD/122002895

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	5000	CRISIL AA/Negative

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 ratings 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 the latest 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 for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Subha Sri Narayanan
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



*Interchangeable between secured and subordinated debt
#For Retail Bond Issuance

Disclaimer: A rating by CRISIL Ratings 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. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings 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. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisil.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

CONFIDENTIAL

IHOLI/260459/NCD/122002895

December 21, 2020

Mr. Rajesh Rajak
Chief Financial Officer

IIFL Finance Limited
802, 8th Floor Hubtown Solaris,
N.S.Phadke Marg, Vijay Nagar,
Andheri (E),
Mumbai 400069

Dear Mr. Rajesh Rajak,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures*# of IIFL Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	5000	CRISIL AA/Negative

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 will be necessary.

As per our Rating Agreement, CRISIL 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 reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest 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 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 for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,
Yours sincerely,



Subha Sri Narayanan
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



**Interchangeable between secured and subordinated debt
#For Retail Bond Issuance*

A CRISIL rating reflects CRISIL's 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. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL 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. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited
Corporate Identity Number: L67120MH1987PLC042363

CONFIDENTIAL

IHHOLI/249733/NCD/062054925

June 26, 2020

Mr. Rajesh Rajak

Chief Financial Officer

IIFL Finance Limited

802, 8th Floor Hubtown Solaris,

N.S.Phadke Marg, Vijay Nagar,

Andheri (E),

Mumbai 400069

Dear Mr. Rajesh Rajak,

Re: CRISIL Rating on the Rs.5000 Crore Non-Convertible Debentures*# of IIFL Finance Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

 CRISIL has, after due consideration, assigned its "**CRISIL AA/Negative**" (pronounced as CRISIL double A rating with Negative 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.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.


As per our Rating Agreement, CRISIL 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 reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

 As per the latest 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 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 for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



 Subha Sri Narayanan
 Director - CRISIL Ratings



 Nivedita Shibu
 Associate Director - CRISIL Ratings


**Interchangeable between secured and subordinated debt
 #For Retail Bond Issuance*

A CRISIL rating reflects CRISIL's 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. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL 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. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

**Details of the Rs.5000 Crore Non-Convertible Debentures of
IIFL Finance Limited**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

A CRISIL rating reflects CRISIL's 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. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL 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. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Rating Rationale

June 26, 2020 | Mumbai

IIFL Finance Limited

Rating outlook revised to 'Negative', ratings reaffirmed; 'CRISIL AA/Negative' assigned to NCD

Rating Action

Total Bank Loan Facilities Rated	Rs.2000 Crore
Long Term Rating	CRISIL AA/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.5000 Crore Non Convertible Debentures*#	CRISIL AA/Negative (Assigned)
Rs.325 Crore Non Convertible Debentures^	CRISIL AA/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.2500 Crore Non Convertible Debentures^* (Reduced from Rs.5000 Crore)	CRISIL AA/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Subordinated Debt Aggregating Rs.498.37 Crore^	CRISIL AA/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.1500 Crore Long Term Principal Protected Market Linked Debentures^	CRISIL PP-MLD AAr/Negative (Outlook revised from 'Stable' and rating reaffirmed)
Rs.500 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Rs.8000 Crore Commercial Paper^	CRISIL A1+ (Reaffirmed)
Rs.8000 Crore Commercial Paper Programme(IPO Financing)^	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

^Transferred from India Infoline Finance Ltd

*Interchangeable between secured and subordinated debt

#For Retail Bond Issuance

Detailed Rationale

CRISIL has revised its rating outlook on the long-term debt instruments and bank facilities of IIFL Finance Limited (IIFL Finance) to '**Negative**' from 'Stable' while reaffirming the long term rating at 'CRISIL AA/CRISIL PP-MLD AAr'. The short term rating has been reaffirmed at 'CRISIL A1+'. CRISIL has assigned '**CRISIL AA/Negative**' rating to the Rs 5000 crore non-convertible debentures (NCDs) of the company. Also, CRISIL has withdrawn ratings on Rs 2500 crore NCDs, at the company's request as there is no amount outstanding against the rated instruments. This is in line with CRISIL's withdrawal policy.

The outlook revision factors in the expected pressure on IIFL Finance's asset quality due to the nationwide lockdown and the challenging macro-economic environment. CRISIL expects the gross domestic product (GDP) to contract by about 5.0% in fiscal 2021 compared to an expansion of 4.1% in fiscal 2020, this is likely to impact many sectors and consequently, the income streams borrowers in the upcoming quarters. Further, some of the asset classes in which the company operates 'micro, small and medium enterprises (MSME Finance; 21% of the overall assets under management (AUM) as on March 31, 2020), micro finance (9% of the AUM) and home loans (33% of AUM), particularly to self-employed and cash salaried customers, could witness relatively higher challenges as compared to other segments.

Furthermore, the company's fundraising, which had seen an improving trajectory in the fourth quarter of fiscal 2020, was impacted in the last few months, in line with peers. Nevertheless, the funding environment for non-banks has been improving in the past few weeks, including IIFL Finance, supported by various schemes and measures announced by the government and the Reserve Bank of India. On a consolidated basis, IIFL Finance had raised Rs

1015 crore in the first quarter of fiscal 2021 till June 15, 2020 (Rs 22,407 crores was raised between April 2019 and March 2020). Nevertheless, the company has a healthy pipeline and expects to raise additional funds in the upcoming weeks for which it has already received the sanctions. Ability of the company to raise funds from diverse sources at competitive rates in the current environment will be key monitorable.

The nationwide lockdown has also impacted disbursements and collections of financial institutions. Any delay in return to normalcy will put further pressure on collections and asset quality metrics of companies. Additionally, any change in the behavior of borrowers on payment discipline can affect delinquency levels.

IIFL Finance had provided a blanket moratorium to all customers under Moratorium 1.0 (March 1' June 30) with an *OPT-OUT* structure. As of May 25, 2020, about 58% of the AUM had been given the moratorium. Collections had remained low compared to pre-Covid levels due to the moratorium availed by borrowers. However, under the second phase 'Moratorium 2.0 (June 1-August 31), the company has not given a blanket moratorium but provided the borrowers with *OPT-IN* structure. This along with opening up of branches since last month is expected to lead to a gradual improvement in collections and will remain a key monitorable.

In terms of asset quality metrics, overall gross non-performing assets (GNPAs) of IIFL Finance increased to 2.31% as on March 31, 2020 from 1.96% as on March 31, 2019. On the retail side, the company saw an inch up in asset quality across most of the segments especially in the business loans¹ segments which includes secured and unsecured lending to MSMEs; GNPAs in this segment increased to 3.7% as on March 31, 2020 from 2.2% as on March 31, 2019. GNPAs in the wholesale book, while had shown some improvement supported partly by write-offs in fiscal 2020, remained high at 3.8% as on March 31, 2020 (4.4% as on March 31, 2019).

On the liabilities side, Reserve Bank of India (RBI) had announced regulatory measures under 'Covid-19 - Regulatory Package', whereby lenders were permitted to grant moratorium on bank loans. IIFL Finance group entities have also approached all lenders to avail moratorium on their bank borrowings and the same has been granted by a few of the banks.

As on June 18, 2020, the company had a liquidity cushion of Rs 3,791 crore (Rs 528 crore of cash and equivalents and Rs 3263 crore of unutilized bank lines including securitization lines). Against this, it has total debt repayment of Rs 2,289 crore over the four months through September 2020.

The ratings continues to reflect the IIFL Finance group's diversified retail product offerings, the extensive branch network and adequate capitalisation. These rating strengths are partially offset by limited seasoning of the loan portfolio.

Analytical Approach

For arriving at the ratings, CRISIL 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 has also factored in the business synergies that IIFL Finance group will have with IIFL Wealth and IIFL Securities, 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**

IIFL Finance group, having consolidated assets under management (AUM) of 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, through which the mortgage finance and micro finance businesses are carried out.

Retail loans account for almost 88% of the AUM as on March 31, 2020, with a high level of granularity (loans with ticket size below Rs 1 crore). Also, around 43% 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. It also operates in two synergistic segments - construction & developer funding and capital market lending. While incremental developer funding will be done on a selective basis to support the home loan business, capital market lending will largely focus on retail clients of IIFL Securities. These four segments form around 87% of the AUM as on March 31, 2020, up from 61% as on March 31, 2016. Further, 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, 2020, the IIFL Finance group had a wide network of 2,377 branches spread across 25 states. The group has also made significant investment in technology to effectively benefit from this geographical reach. Going forward, the group plans to leverage business synergies with other IIFL entities for cross-selling of financial products (insurance, mutual funds etc) and other retail loan products, given the already established branch and distribution platform.

On a standalone level, IIFL Finance had an AUM of Rs 16,057 crore as on March 31, 2020 (Rs 14,460 crore as on March 31, 2019) primarily towards gold loans (57%), business loans (20%) and developer and construction finance (22%).

IIFL Home had an AUM of Rs 18,495 crore as on March 31, 2020 (Rs 18,158 crore as on March 31, 2019) largely toward home loans (67%), followed by loan against property (26%) and construction finance (6%).

Samasta had an AUM of Rs 3,400 crore as on March 31, 2020 (Rs 2,285 crore as on March 31, 2019).

*** Adequate capitalisation**

The IIFL Finance group is adequately capitalised, with networth, Tier-I, and overall capital adequacy ratio (CAR) of around Rs 4,766 crore, 13.1%, and 17.6%, respectively, as on March 31, 2020 (Rs 4,359 crore, 13.1% and 18.3%, respectively, as on March 31, 2019). Networth coverage for net NPAs was comfortable at around 17 times as on March 31, 2020 (25 times as on March 31, 2019). On-book gearing as on same date was adequate at around 5.2 times; however, CRISIL-adjusted gearing (on-book borrowings + securitization/assignment) was higher at around 7.7 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). Given the modest growth plans, capitalisation remains 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, 2020, IIFL Finance (standalone) reported net worth and CRISIL-adjusted gearing stood at Rs 3,608 crore and 4.7 times, respectively. It had a Tier-I CAR and overall CAR of 13.1% and 17.6%, respectively, as on same date. Net worth coverage for net NPAs was around 31 times as on March 31, 2020.

IIFL Home had a reported net worth and CRISIL-adjusted gearing of Rs 1,780 crore and 9.9 times, respectively, as on March 31, 2020. Its Tier-I and overall CAR stood at 18.4% and 23.7%, respectively, as on same date. The company's net worth coverage for net NPAs was around 11 times as on March 31, 2020.

Samasta's reported net worth and CRISIL-adjusted gearing stood at Rs 509 crore and 3.8 times, respectively, as on March 31, 2020. Tier-I and overall CAR stood at 20.9% and 25.9%, respectively, as on same date.

Weaknesses:

*** 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 26%. Given the scale up of 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 relatively recent addition to the product suite. Overall gross

NPAs and net NPAs stood at 2.31% and 0.97%, respectively, as on March 31, 2020 (1.96% and 0.63%, respectively, as on March 31, 2019). 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 stood while declined, supported partly by write-offs, to 3.8% as on March 31, 2020, from 4.4% a year ago, continued to remain high. Nevertheless, the share of wholesale lending has come down over the past few years and was relatively low at about 11% of the overall AUM as on March 31, 2020. Nevertheless, given the current macro environment, asset quality on exposures such as developer loans and large ticket loans against property would be a key monitorable for all lenders, including IIFL Finance. Borrowers of such loan categories are more sensitive to an environment of prolonged liquidity tightness. RBIs measure on extension of date of commencement of commercial operations (DCCO) for commercial real estate projects should provide some respite.

Also, retail asset quality, while has remained under control in the past, could witness an increase in delinquencies from current levels across segments due to the economic slowdown. The lockdown has affected the income generation ability and saving of borrowers, especially of the self-employed and micro finance borrower, who typically have a weaker credit profile. In this context, credit costs are expected to increase in the near term.

Gross NPA of IIFL Finance (standalone), IIFL Home and Samasta stood at 3.1%, 1.6% and 1.5%, respectively, as on March 31, 2020 (3.4%, 0.9% and 0.4%, respectively, as on March 31, 2019).

Any sharp deterioration in asset quality, will also impact profitability and capital, and remains a key rating monitorable.

Liquidity Strong

As on June 18, 2020, the company had a liquidity cushion of Rs 3,791 crore (Rs 528 crore of cash and equivalents, Rs 413 crore of unutilized cash credit lines and Rs 2,850 crore of unutilized bank lines including securitization lines). Against this, it has total debt repayment of Rs 2,289 crore over the four months through September 2020.

Outlook: Negative

CRISIL believe that IIFL Finance' collections and thereby asset quality metrics is likely to come under pressure due to the extended nation-wide lockdown and challenging economic environment. Furthermore, fundraising in the recent past has also been lower than expected.

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
- * Further drop in collections metrics and delay in achieving pre-pandemic levels
- * 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

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 finance company (NBFC). The group offers various retail lending products, including gold loans, home loans, LAP, business loans, micro finance and capital market based lending (margin funding and loan against shares). It also offers construction and developer finance.

In fiscal 2008, IIFL Finance (erstwhile IIFL Holding Ltd) had launched its retail finance business through the NBFC, Moneyline Credit Ltd, which was later merged with India Infoline Finance, with effect from April 2011. In fiscal 2009, India Infoline Housing Finance Ltd received a registration as a housing finance company from the National Housing Bank and was subsequently renamed as IIFL Home Finance. In fiscal 2017, IIFL Finance ventured into microfinance segment after acquisition of micro lender Samasta Microfinance.

In January 2018, IIFL Finance Ltd announced plans to reorganise its corporate structure, and list the three entities - IIFL Finance (loans and mortgages business), IIFL Wealth (wealth and asset management business), and IIFL Securities (capital markets and other businesses). In May 2019, as part of this restructuring scheme, IIFL Wealth and IIFL Securities were demerged from IIFL Finance and subsequently were listed in September 2019. In March 2020, India Infoline Finance was merged into IIFL Finance, the listed entity of the lending business.

As of March 31, 2020, promoters held 24.9% stake in IIFL Finance, 29.9% is held by Prem Watsa controlled Fairfax Holdings and 15.5% from CDC Group PLC.

CRISIL 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 1,385 crore and Rs 149 crore, respectively, in fiscal 2020, against Rs 1,597 crore and Rs 451 crore, respectively, in the previous fiscal. The company had networth and total assets of Rs 3,608 crore and Rs 19,362 crore, respectively, as on March 31, 2020.

IIFL Finance (consolidated) had total income (net of interest expenses) and PAT of Rs 2,424 crore and Rs 503 crore (including one-time exceptional expense of Rs 261 crore (post tax), respectively, in fiscal 2020 as against a total income (net of interest expense) of Rs 2,500 crore and PAT of Rs 796 crore (including one-time exceptional gain of Rs 105 crore). Excluding the exceptional items (gain and expenses), PAT stood at Rs 764 crore for FY20 as against a PAT of Rs 691 crore in the previous fiscal.

¹Excluding discontinued healthcare finance business

Key Financial Indicators - IIFL Finance (consolidated; CRISIL adjusted numbers)

As on / for the period ended		March 2020	March 2019
Total Assets	Rs crore	34341	33239
Total income (net of interest expenses)	Rs crore	2424	2500
Profit after tax[^]	Rs crore	503	796
Gross NPA	%	2.31	1.96
Return on managed assets (annualized)[^]	%	1.2	2.1
Gearing	Times	5.2	5.9
Adjusted gearing	Times	7.7	8.0

Excluding the one-time exceptional items, PAT and RoMA stood at Rs 764 crore and 1.8%, for the period ended March 2020 as against a PAT and RoMA of Rs 691 crore and 1.9% for the period ended March 2019

Key Financial Indicators - IIFL Finance (standalone; CRISIL adjusted numbers)

As on / for the period ended		March 2020	March 2019
Total income (net of interest expenses)	Rs crore	1385	1597
Profit after tax	Rs crore	149	451
Gross NPA	%	3.1	3.4
Gearing	Times	3.3	3.6
Adjusted gearing	Times	4.7	4.3

Any other information:

Earnings profile of the company has remained range bound. Return on managed assets [RoMA; profit after tax / (total assets + securitization/assignment)] stood at around 1.2% for the period ended March 31, 2020. The profitability was impacted in fiscal 2020 due one-time provisioning for Covid-19 of Rs 282 crore and reversal of deferred tax of Rs 50

crore, excluding the same, RoMA stood at 1.8% for the above period (around 1.9% for fiscal 2019; excluding the one-time gain on sale of CV business). While the profitability is supported by healthy net interest margin, operating expenses remain high, given the investment in opening of new branches, strengthening of work force and building the technological infrastructure. With the scale up of loan book, operating efficiency is expected to improve gradually, which will support the earning profile. Also, while credit costs have remained under control, the asset quality is likely to see an inch up in fiscal 2021, which will lead to increase in credit cost. Ability of the company to control credit costs will be a key determinant of profitability going forward.

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure -- Details of Instrument in this Rating Rationale. For more details on the CRISIL complexity levels, please visit www.crisil.com/complexity-levels.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Commercial Paper Programme(IPO Financing)^	NA	NA	7-30 days	8000	Simple	CRISIL A1+
NA	Commercial paper^	NA	NA	7-365 days	8000	Simple	CRISIL A1+
NA	Commercial paper	NA	NA	7-365 days	500	Simple	CRISIL A1+
INE866107BY4	Debentures#^	07-Feb-19	9.50%	07-May-22	261	Simple	CRISIL AA/Negative
INE866107BZ1	Debentures#^	07-Feb-19	9.60%	07-May-22	39	Simple	CRISIL AA/Negative
INE866107CB0	Debentures#^	07-Feb-19	9.60%	07-May-22	49	Simple	CRISIL AA/Negative
INE866107CD6	Debentures#^	07-Feb-19	9.75%	07-Feb-24	637	Simple	CRISIL AA/Negative
INE866107CF1	Debentures#^	07-Feb-19	10.20%	07-Feb-24	126	Simple	CRISIL AA/Negative
INE866108279	Debentures#^	07-Feb-19	10.00%	07-Feb-29	31	Simple	CRISIL AA/Negative
INE866108295	Debentures#^	07-Feb-19	10.50%	07-Feb-29	15	Simple	CRISIL AA/Negative
INE866107CJ3	Debentures#^	06-Sep-19	10.00%	06-Dec-20	98	Simple	CRISIL AA/Negative
INE866107CK1	Debentures#^	06-Sep-19	9.50%	06-Dec-22	37	Simple	CRISIL AA/Negative
INE866107CL9	Debentures#^	06-Sep-19	9.85%	06-Dec-22	12	Simple	CRISIL AA/Negative
INE866107CM7	Debentures#^	06-Sep-19	9.85%	06-Dec-22	65	Simple	CRISIL AA/Negative
INE866108303	Debentures#^	06-Sep-19	10.00%	06-Jun-25	26	Simple	CRISIL AA/Negative
INE866108311	Debentures#^	06-Sep-19	10.50%	06-Jun-25	6	Simple	CRISIL AA/Negative
NA	Debentures**^	NA	NA	NA	1098	Simple	CRISIL AA/Negative
NA	Debentures**^	NA	NA	NA	325	Simple	CRISIL AA/Negative
NA	Subordinated Bond**^	NA	NA	NA	300.37	Complex	CRISIL AA/Negative

INE866108121	Subordinated Bond^	31-Aug-12	12.15%	30-Aug-22	5	Complex	CRISIL AA/Negative
INE866108121	Subordinated Bond^	31-Aug-12	12.15%	31-Aug-22	15	Complex	CRISIL AA/Negative
INE866108162	Subordinated Bond^	05-Nov-12	12.20%	04-Nov-22	23	Complex	CRISIL AA/Negative
INE866107CN5	Subordinated Bond^	11-Sep-19	9.75%	09-Oct-20	150	Complex	CRISIL AA/Negative
INE866107CO3	Subordinated Bond^	17-Sep-19	9.85%	17-Jan-23	5	Complex	CRISIL AA/Negative
INE866107CH7	Long Term Principal Protected Market Linked Debentures^	26-Jun-19	NA	27-Sep-21	57	Highly Complex	CRISIL PP-MLD AAr/Negative
INE866107CI5	Long Term Principal Protected Market Linked Debentures^	26-Jun-19	NA	27-Sep-22	25	Highly Complex	CRISIL PP-MLD AAr/Negative
INE866107CH7	Long Term Principal Protected Market Linked Debentures^	17-Jul-19	NA	27-Sep-21	50	Highly Complex	CRISIL PP-MLD AAr/Negative
NA	Long Term Principal Protected Market Linked Debentures**^	NA	NA	NA	1368	Highly Complex	CRISIL PP-MLD AAr/Negative
NA	Proposed Long Term Bank Loan Facility^	NA	NA	NA	2000	NA	CRISIL AA/Negative
NA	Debentures**#&	NA	NA	NA	5000	Simple	CRISIL AA/Negative

^Transferred from India Infoline Limited

**not yet issued

Interchangeable between secured and subordinated debt

&For Retail Bond Issuance

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Complexity Levels
NA	Debentures**#^	NA	NA	NA	2500	Simple

^Transferred from India Infoline Limited

**not yet issued

Interchangeable between secured and subordinated debt

Annexure - List of entities consolidated

Entity Consolidated	Rationale for Consolidation
IIFL Home Finance Limited	Subsidiary
Samasta Micro Finance Limited	Subsidiary
Clara Developers Private Limited	Subsidiary

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2020 (History)		2019		2018		2017		Start of 2017 Rating
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Commercial Paper	ST	8500.00	CRISIL A1+	18-04-20	CRISIL A1+	20-08-19	CRISIL A1+	04-09-18	CRISIL A1+		--	--
Commercial Paper Programme(IPO Financing)	ST	8000.00	CRISIL A1+	18-04-20	CRISIL A1+		--		--		--	--

Long Term Principal Protected Market Linked Debentures	LT	132.00 26-06-20	CRISIL PP-MLD AAr/Negative	18-04-20	CRISIL PP-MLD AAr/Stable	--	--	--	--
Non Convertible Debentures	LT	1402.00 26-06-20	CRISIL AA/Negative	18-04-20	CRISIL AA/Stable	--	--	--	--
Short Term Debt (Including Commercial Paper)	ST						13-08-18 CRISIL A1+	29-09-17 CRISIL A1+	--
							10-05-18 CRISIL A1+		
							09-02-18 CRISIL A1+		
Subordinated Debt	LT	198.00 26-06-20	CRISIL AA/Negative	18-04-20	CRISIL AA/Stable	--	--	--	--
Fund-based Bank Facilities	LT/ST	2000.00	CRISIL AA/Negative	18-04-20	CRISIL AA/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
Proposed Long Term Bank Loan Facility	2000	CRISIL AA/Negative	Proposed Long Term Bank Loan Facility	2000	CRISIL AA/Stable
Total	2000	--	Total	2000	--

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for Consolidation](#)

[CRISILs Criteria for rating short term debt](#)

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ANNEXURE B

**CREDIT RATING LETTER AND RATING RATIONALE FROM BRICKWORK RATINGS INDIA
PRIVATE LIMITED**

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Brickwork Ratings India Pvt. Ltd.

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Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

BWR/NCD/MUM/CRC/ABP/0560/2020-21

16 February 2021

Mr. Rajesh Rajak

Chief Financial Officer

IIFL Finance Limited

802, 8th Floor, Hubtown Solaris,
Prof. N.S.Phadke Road, Vijay Nagar,
Andheri (East), Mumbai – 400069

Dear Sir,

Sub: Validation of Rating for IIFL Finance Ltd's non-convertible debentures rated by Brickwork Ratings

Ref: 1) Our Rating letter BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020
2) Your email dated 15 February 2021 requesting rating validation

We advise that your Company's Non-convertible Debentures (NCDs) carry a rating of BWR AA+/ Negative as advised vide our Rating Letter BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020. The Rating letter validity is twelve months from our earlier rating letter BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020. Details of the instrument rated and amount raised are provided in the Annexure.

Please note that all terms and conditions of our letters BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020 remain unchanged.

Kindly note to furnish complete details of instruments as and when raised.

Best Regards,

Anil Patwardhan

Senior Director - Ratings

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IIFL Finance Limited

Annexure:

Details of outstanding ratings

Instruments	Rated Amount (Rs in Crs)	Last Rating / Review Date	Tenure	Outstanding Ratings	Validity Date
Non-Convertible Debentures (NCDs) ^ #	5000	30 June 2020	Long Term	BWR AA+/ Negative	29 June 2021

^ Public Issue; Interchangeable between secured and subordinated debt.

Not yet raised



Brickwork Ratings India Pvt. Ltd.

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Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

BWR/NCD/MUM/CRC/ANP/0480/2020-21

22 December 2020

Mr. Rajesh Rajak
Chief Financial Officer
IIFL Finance Limited

802, 8th Floor, Hubtown Solaris,
Prof. N.S.Phadke Road, Vijay Nagar,
Andheri (East), Mumbai – 400069

Dear Sir,

Sub: Validation of Rating for IIFL Finance Ltd's non-convertible debentures rated by Brickwork Ratings

Ref: 1) Our Rating letter BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020
2) Your email dated 21 December 2020 requesting rating validation

We advise that your Company's Non-convertible Debentures (NCDs) carry a rating of BWR AA+ / Negative as advised vide our Rating Letter BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020. The Rating letter validity is twelve months from our earlier rating letter BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020. Details of the instrument rated and amount raised are provided in the Annexure.

Please note that all terms and conditions of our letters BWR/NCD//CRC/VYD/0157/2020-21 dated 30 June 2020 remain unchanged.

Kindly note to furnish complete details of instruments as and when raised.

Best Regards,

Anil Patwardhan
Senior Director - Ratings

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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.



IIFL Finance Limited

Annexure:

Details of outstanding ratings

Instruments	Rated Amount (Rs in Crs)	Last Rating / Review Date	Tenure	Outstanding Ratings	Validity Date
Non-Convertible Debentures (NCDs) ^ #	5000	30 June 2020	Long Term	BWR AA+/ Negative	29 June 2021

^ Public Issue; Interchangeable between secured and subordinated debt.

Not yet raised



BWR/NCD//CRC/VYD/0157/2020-21

30 June 2020

Mr. Rajesh Rajak

Chief Financial Officer

IIFL Finance Limited

802, 8th Floor, Hubtown Solaris,
Prof. N.S.Phadke Road, Vijay Nagar,
Andheri (East), Mumbai – 400069

Dear Sir,

Sub: Assignment of rating for proposed NCDs of Rs 5000 Crs and review of rating of existing debt instruments of IIFL Finance Limited

Ref: Our earlier rating letter BWR/NCD//CRC/VYD/0035/2020-21 dated 23 April 2020 and your mandate dated 25 June 2020.

Based on the information and clarifications provided by your company and as available in public sources, Brickwork Ratings informs you that IIFL Finance Limited's NCDs of Rs 5000 Crs has been assigned a rating of BWR AA+/ Negative. Brickwork Ratings also reaffirms the rating of existing debt instruments and withdraws the rating of unutilised portion of NCDs as given below:

Instruments**	Rated Amount (Rs in Crs)		Tenure	Rating*	
	Previous	Present		Previous	Present
Non-convertible Debentures ^	--	5000.00	Long Term	--	BWR AA+/ Negative 'Assigned'
Non-convertible Debentures ^	3597.00	0.00	Long Term	BWR AA+/ Negative	Rating Withdrawn #
Non-convertible Debentures	1403.00	1403.00	Long Term	BWR AA+/ Negative	BWR AA+/ Negative 'Reaffirmed'
Secured Non-convertible Debentures	50.00	50.00			
Unsecured Subordinated Non-convertible Debentures	35.00	35.00			
Total	5085.00	6488.00	Rupees Six Thousand Four Hundred Eighty Eight Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** ISIN-wise details of NCD is provided in Annexure

^ Public Issue; Interchangeable between secured and subordinated debt.

Rating is withdrawn for NCDs of Rs 3597 Crs, at the request of the company, as it is unutilised.



IIFL Finance Limited

BWR/NCD//CRC/VYD/0157/2020-21

30 June 2020

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.

The Rating is valid for twelve months from the date of this letter and subject to terms and conditions that were agreed in your mandate dated 25 June 2020 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended at the end of this letter.

Brickwork would conduct surveillance every year till maturity/ redemption of the instruments. You are required to submit information for the purpose of surveillance/review. You are also required to keep us informed of any information/development that may affect your firm's finances/performance without any delay. **You are also requested to submit No Default Statement on monthly basis.**

Kindly acknowledge.

Best Regards,

Vydianathan Ramaswamy
Director & Head - Financial Sector Ratings

Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. 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

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

IIFL Finance Limited

BWR/NCD//CRC/VYD/0157/2020-21

30 June 2020

Annexure
NCDs - ISIN Details

Instrument #	Issue Date	Amount Raised (Rs in Crs.)	Coupon Rate	Maturity Date	ISIN Particulars
Secured NCD *	7-Feb-19	260.50	9.50%	7-May-22	INE866I07BY4
Secured NCD *	7-Feb-19	38.91	9.60%	7-May-22	INE866I07BZ1
Secured NCD *	7-Feb-19	49.42	9.60%	7-May-22	INE866I07CBo
Secured NCD *	7-Feb-19	636.81	9.75%	7-Feb-24	INE866I07CD6
Secured NCD *	7-Feb-19	126.47	10.20%	7-Feb-24	INE866I07CF1
Subordinated NCD *	7-Feb-19	31.02	10.00%	7-Feb-29	INE866I08279
Subordinated NCD *	7-Feb-19	15.45	10.50%	7-Feb-29	INE866I08295
Secured NCD	17-Sep-19	5.00	9.85%	17-Jan-23	INE866I07CO3
Secured NCD *	06-Sep-19	98.09	10.00%	06-Dec-20	INE866I07CJ3
Secured NCD *	06-Sep-19	37.30	9.50%	06-Dec-22	INE866I07CK1
Secured NCD *	06-Sep-19	12.01	9.85%	06-Dec-22	INE866I07CL9
Secured NCD *	06-Sep-19	65.11	9.85%	06-Dec-22	INE866I07CM7
Subordinated NCD *	06-Sep-19	25.93	10.00%	06-Jun-25	INE866I08303
Subordinated NCD *	06-Sep-19	5.78	10.50%	06-Jun-25	INE866I08311
Subordinated NCD	11-Sep-15	20.00	10.75%	10-Sep-21	INE866I08220
Subordinated NCD	16-Sep-15	15.00	10.50%	16-Sep-21	INE866I08238
Total		1442.80			

* Raised under public issue of NCDs

The above mentioned instruments (ISINs) are transferred from India Infoline Finance Ltd to IIFL Finance Ltd on account of merger.

Details of Rating Withdrawn

Instrument	Issue Date	Amount (Rs in Crs.)	Coupon Rate	Maturity Date	ISIN Particulars
NCDs **	NA	3597	NA	NA	NA

** Public Issue; Unutilised portion

RATING RATIONALE

30 June 2020

IIFL Finance Limited

Brickwork Ratings assigns ratings of ‘BWR AA+’ Negative to the NCD issue of IIFL Finance Limited.

Particulars

Instrument**	Amount Rated (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (22 April 2020)	Present
Non-convertible Debentures ^	0.00	5000.00	Long Term	--	BWR AA+ / Negative ‘Assigned’
Non-convertible Debentures ^	3597.00	0.00	Long Term	BWR AA+/ Negative	Rating Withdrawn #
Non-convertible Debentures	1403.00	1403.00	Long Term	BWR AA+/ Negative	BWR AA+ / Negative ‘Reaffirmed’
Secured Non-convertible Debentures	50.00	50.00			
Unsecured Subordinated Non-convertible Debentures	35.00	35.00			
Total	5085.00	6488.00	INR Six Thousand Four Hundred Eighty Eight Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of NCDs are provided in Annexure-I & II

^ Public Issue; Interchangeable between secured and subordinated debt

Rating is withdrawn for NCDs of Rs 3597 Crs, at the request of the company, as it is unutilised.

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) assigns ‘BWR AA+’/Negative to the non-convertible debentures (NCDs) of Rs 5000 Crs of IIFL Finance Limited (the company) while reaffirming the rating of existing debt instruments, as tabulated above. BWR also withdraws the rating for NCDs of Rs 3597 Crs at the request of the company as the same is unutilised, and the withdrawal is in line with BWR’s policy.



The rating continues to factor in IIFL Finance group's diversified presence in the retail financing space, highly qualified and experienced management team, adequate capitalisation and diversified resource mix. The rating is, however, constrained by the limited seasoning of the loan portfolio, particularly in the home loan and MSME loan segments, and a moderation in the company's asset quality. The Negative outlook is on account of the expectation of continued pressure on the asset quality, specifically in the MSME and loans against property (LAP) segments, and the company's ability to grow its balance sheet amid funding challenges to the non-banking financial company (NBFC) sector.

KEY RATING DRIVERS

Credit Strengths

Diversified business profile: IIFL Finance Ltd is a retail-focused NBFC with a diversified loan book and offers products such as home loans, gold loans, microfinance loans (MFI), micro small & medium enterprise (MSME) business loans, LAP and construction finance. Out of the total AUM of Rs 37951 Crs as on 31 March 2020, home loans constituted 32.79%, followed by gold loans at 24.04%, business loans (including LAP) at 20.57%, developer finance loans at 12.46%, MFI loans at 8.96% and loans to the capital market segment at 1.19%. The company also benefits from the synergies it derives from IIFL Wealth and IIFL Securities, given the common promoters and shared brand name.

Diversified resource mix: The company 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 9400 Crs in FY20. Around 46% of these were in the form of term loans/refinance from National Housing Bank (NHB), and the rest were in the form of NCDs/ECB. Apart from this, the company had raised ~Rs 13000 Crs through the securitisation/assignment of its loans. Out of the total funding as on 31 March 2020, 35% was in the form of term loans, 28% in the form of NCDs, 27% in the form of assignment of loans, 5% in the form of securitisation and 5% in the form of refinance from NHB. The company has requested a moratorium for repaying term loans that are due, on account of COVID-19, and has received approval from the majority of its bankers.

Adequate capitalisation: IIFL Finance Limited is adequately capitalised, with the consolidated net worth and gearing of Rs 4765.61 Crs and 5.66 times, respectively, as on 31 March 2020. It improved from Rs 4358.70 Crs and 6.08 times, respectively, as on 31 March 2019. The capital adequacy ratio of IIFL Finance Ltd (standalone), IIFL Home Finance Ltd and Samasta Microfinance stood at 17.55%, 23.71% and 25.93%, respectively, as on 31 March 2020. The accrual of profits to net worth was, however, low for FY20. The company reported a net profit of Rs 503.47 Crs for FY20, compared with Rs 795.71 Crs (including a one-time gain of Rs 115 Crs on the sale of the CV business) for FY19. The profitability was impacted due to a one-time provisioning due to COVID-19, of Rs 282 Crs, and the reversal of deferred tax of Rs 50 Crs



during FY20. The net worth to net non-performing assets cover was adequate at around 17.5 times as on 31 March 2020. The company plans to raise fresh equity in FY21 to strengthen its capital position to cover for any asset side risks and also support future growth. BWR believes IIFL Finance Ltd on a consolidated level will remain adequately capitalised over the medium term.

Experienced management and strong ownership: IIFL Finance Limited and its subsidiaries are led by a highly 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 Limited), Mr. R. Venkataraman (co-promoter and managing director of IIFL Finance Limited) and other non-executive and independent directors. BWR has taken note of some changes in the senior management of IIFL Finance Ltd and continues to take comfort from the rich experience and depth in the management profile of the IIFL Finance Ltd and its subsidiaries. IIFL Finance Limited is a listed company in which promoters held 24.94%, the Fairfax group held 29.87%, CDC Group PLC held 15.46% and foreign investors held 12.69% as on 31 March 2020.

Credit Risks

Limited loan seasoning: The IIFL Finance group's AUM has largely grown in the last three years. The total AUM grew from Rs 22281 Crs as on 31 March 2017 to Rs 37951 Crs as on 31 March 2020. Home loans and MSME business loans, which have a longer tenure, constituted ~54% of the total AUM as on 31 March 2020. The loan portfolio has limited seasoning, especially in the home loans and MSME loans segment. The overall asset quality is yet to be tested through economic down cycles.

Average asset quality: IIFL Finance Ltd witnessed some asset quality pressure in FY20, which is expected to continue in the current fiscal due to the on-going pandemic. The gross non-performing assets (NPAs) across home loans, microfinance loans, MSME loans and LAP increased in FY20. Overall, on a consolidated basis, the gross NPAs increased from 1.96% as on 31 March 2019 to 2.31% as on 31 March 2020. The company is taking appropriate measures by slowing down disbursements in the MSME segment and curtailing exposure to the riskier real estate developer segment.

However, BWR expects the asset quality pressures to continue in FY21 due to the impact on the company's borrower profile on account of the COVID-19 pandemic. The company has witnessed a dip in collections in Q1FY21 due to the loan moratorium by the Reserve Bank Of India (RBI). Many of its borrowers are availing a moratorium, and IIFL Finance Ltd's ability to ensure timely collections during and after the moratorium period and its ability to control slippages and manage asset quality will be a key rating monitorable.



ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has taken a consolidated view on IIFL Finance Limited and its key operating subsidiaries IIFL Home Finance Limited and Samasta Microfinance Limited (collectively referred to as the IIFL Finance group) having strong operational, financial and managerial linkages. The rating also factors in the synergies it derives from IIFL Wealth and IIFL Securities, 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).

RATING SENSITIVITIES

Going forward, the company's ability to steadily grow its portfolio while maintaining comfortable asset quality and a prudent capital structure will be key rating sensitivity factors.

Positive: A sustained improvement in the asset quality and the company's ability to steadily grow its AUM with an improvement in profitability are the key rating positives.

Negative: A deterioration in asset quality, thereby impacting profitability and capitalisation, or a reduction in liquidity, and/or if the company faces challenges to raise funds at competitive rates.

Coronavirus disease (COVID-19), declared a pandemic by the World Health Organisation (WHO), has become a full-blown crisis globally, including in India. As a containment measure, the Indian Government had announced a 21-day nationwide lockdown on 24 March 2020, which was subsequently extended until 31 May 2020. As per BWR, financial institutions, mainly those lending directly or indirectly, to the retail low-income borrower segments could be the most impacted. The 6-month moratorium announced by the RBI on the interest and principal on bank debt has provided some cushion to the lending community to realign its collection machinery and operations during this period. However, lenders' ability to ensure credit discipline among borrowers as the 6-month moratorium ends and to collect accumulated interest and principal dues on a timely basis after this period will be a key monitorable. BWR is actively engaging with its clients on a continuous basis and taking updates on the impact on its operations and liquidity situation. BWR will take appropriate rating actions as and when it deems necessary and publish the same.

LIQUIDITY POSITION: ADEQUATE

The IIFL Finance group 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 Finance had scheduled debt repayment obligations of ~ Rs 3900 Crs between June to December 2020. The liquidity remains adequate, with cash/bank/FD and liquid investments of ~ Rs 528 Crs, an unutilised cash credit limit of Rs 413 Crs and undrawn sanction lines (including

securitisation) of ~ Rs 2850 Crs as on 18 June 2020. Since IIFL Finance group mainly caters to the retail segment, a large number of borrowers have asked for a moratorium, and hence, collections are expected to be low. The IIFL Finance group has also requested for a moratorium to its bankers. They have received approval from the majority of bankers.

COMPANY PROFILE

IIFL Finance Limited is a listed company in which promoters held 24.94%, the Fairfax group held 29.87%, CDC Group PLC held 15.46% and foreign investors held 12.69% as on 31 March 2020. IIFL Finance Limited (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 Ltd is a retail-focused NBFC with a diversified loan book and offers products such as home loans, gold loans, MFI, MSME business loans, LAP, construction finance and capital market finance. IIFL Finance Ltd has two key operating subsidiaries, IIFL Home Finance Ltd (in which it holds 100%) and Samasta Microfinance Ltd (in which it holds 98.89%). The IIFL Finance group has a widespread branch network, with 2377 branches spread across 25 states, out of which ~85% of branches are in Tier 2 and Tier 3 locations.

KEY FINANCIAL INDICATORS (IIFL Finance Consolidated)

Key Parameters	Units	FY19	FY20
Result Type		Audited	Audited
Total income	(in Rs Crs)	5084.88	4820.73
Total comprehensive income	(in Rs Crs)	785.68	496.81
Total net worth	(in Rs Crs)	4358.70	4765.61
Gearing	(in times)	6.08	5.66
Total AUM	(in Rs Crs)	34903	37951
Gross NPA	(%)	1.96	2.31
Net NPA	(%)	0.63	0.97

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 and suspended)

Sr. No.	Name of Instrument	Current Rating (2020)			Rating History for the past 3 years											
		Type	Amount (Rs. Crores)	Rating	2020			2019			2018			2017		
1	NCDs ^	Long Term	5000	BWR AA+/ Negative	22.04.2020			NA			NA			NA		
					NA	NA	NA									
2	NCDs ^	Long Term	0.00	Rating Withdrawn #	22.04.2020			NA			NA			NA		
					Long Term	3597	BWR AA+/ Negative									
3	NCDs	Long Term	1403	BWR AA+/ Negative	22.04.2020			NA			NA			NA		
					Long Term	1403	BWR AA+/ Negative									
4	Secured NCDs	Long Term	50	BWR AA+/ Negative	22.04.2020			NA			NA			NA		
					Long Term	50	BWR AA+/ Negative									
5	Unsecured subordinated NCDs	Long Term	35	BWR AA+/ Negative	22.04.2020			NA			NA			NA		
					Long Term	35	BWR AA+/ Negative									
Total			6488		INR Six Thousand Four Hundred Eighty Eight Crores Only											

^Public Issue; Interchangeable between secured and subordinated debt.

Rating is withdrawn for NCDs of Rs 3597 Crs, at the request of the company, as it is unutilised.

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](#)

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IIFL Finance Ltd

ANNEXURE I - Instruments (NCD) Details

Instrument #	Issue Date	Amount Raised (Rs in Crs.)	Coupon Rate	Maturity Date	ISIN Particulars
Secured NCD *	7-Feb-19	260.50	9.50%	7-May-22	INE866I07BY4
Secured NCD *	7-Feb-19	38.91	9.60%	7-May-22	INE866I07BZ1
Secured NCD *	7-Feb-19	49.42	9.60%	7-May-22	INE866I07CB0
Secured NCD *	7-Feb-19	636.81	9.75%	7-Feb-24	INE866I07CD6
Secured NCD *	7-Feb-19	126.47	10.20%	7-Feb-24	INE866I07CF1
Subordinated NCD *	7-Feb-19	31.02	10.00%	7-Feb-29	INE866I08279
Subordinated NCD *	7-Feb-19	15.45	10.50%	7-Feb-29	INE866I08295
Secured NCD	17-Sep-19	5.00	9.85%	17-Jan-23	INE866I07CO3
Secured NCD *	06-Sep-19	98.09	10.00%	06-Dec-20	INE866I07CJ3
Secured NCD *	06-Sep-19	37.30	9.50%	06-Dec-22	INE866I07CK1
Secured NCD *	06-Sep-19	12.01	9.85%	06-Dec-22	INE866I07CL9
Secured NCD *	06-Sep-19	65.11	9.85%	06-Dec-22	INE866I07CM7
Subordinated NCD *	06-Sep-19	25.93	10.00%	06-Jun-25	INE866I08303
Subordinated NCD *	06-Sep-19	5.78	10.50%	06-Jun-25	INE866I08311
Subordinated NCD	11-Sep-15	20.00	10.75%	10-Sep-21	INE866I08220
Subordinated NCD	16-Sep-15	15.00	10.50%	16-Sep-21	INE866I08238
Total		1442.80			

* Raised under public issue of NCDs

The above mentioned instruments (ISINs) are transferred from India Infoline Finance Ltd to IIFL Finance Ltd on account of merger.

ANNEXURE II - Details of Rating Withdrawn

Instrument	Issue Date	Amount (Rs in Crs.)	Coupon Rate	Maturity Date	ISIN Particulars
NCDs **	NA	3597	NA	NA	NA

** Public Issue; Unutilised portion



ANNEXURE III

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	98.89%	Full Consolidation	Subsidiary

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.

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DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons

ANNEXURE C

CONSENT LETTER FROM DEBENTURE TRUSTEE

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Ref. No. CTL/MUM/20-21/DEB/584

1. CONSENT LETTER FROM THE DEBENTURE TRUSTEE TO THE ISSUE

June 29, 2020

IIFL Finance Limited

802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg,
Vijay Nagar,
Andheri East,
Mumbai - 400 069
Maharashtra

Dear Ma'am/Sir

Sub: Proposed public issue of secured redeemable non- convertible debentures and/or unsecured subordinated redeemable non- convertible debentures ("NCDs") aggregating up to Shelf Limit of Rs 5,000 crores (Rupees Five Thousand Crores) ("Issue") of IIFL Finance Limited ("Company").

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 (Formerly GDA Trusteeship Limited)
Address: 'GDA House', Plot No 85, Bhusari Colony (Right),
Kothrud, Pune – 411038

Tel: 022 - 49220542
Fax: 022 - 49220505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
SEBI Registration No: IND000000034
CIN U74999PN1997PLC110262
Investor Grievance e-mail: grievance@ctltrustee.com

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.

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

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED) 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



authorities as required by law.

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.

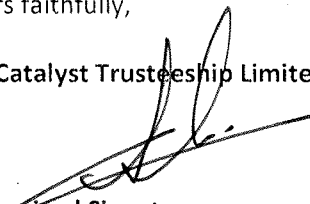
We confirm that we will immediately inform you and the Lead Managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs 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

Yours faithfully,

For Catalyst Trusteeship Limited.


Authorised Signatory

Name: Umesh Salvi

Designation: Business Head

CC:

Edelweiss Financial Services Limited

Edelweiss House, Off CST Road

Kalina, Mumbai – 400 098

Maharashtra, India.

Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex,

N.M. Joshi Marg,

Lower Parel,

Mumbai 400 013,

Maharashtra, India

IIFL Securities Limited

10th Floor, IIFL Centre,

Kamala City, Senapati Bapat Marg,

Lower Parel (W),

Mumbai 400 013

Khaitan & Co

One Indiabulls Centre, 13th Floor, Tower 1,

Senapati Bapat Marg, Mumbai 400 013

Maharashtra, India



Annexure A

REGISTRATION	000258	DEBENTURE TRUSTEE
भारतीय प्रतिभूति और विनिमय बोर्ड SECURITIES AND EXCHANGE BOARD OF INDIA (इंडियन स्टॉक एक्सचेंज) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993		
000258 (Regulation 8) (Regulation 8A) रजिस्ट्रेशन प्रमाणपत्र CERTIFICATE OF REGISTRATION PERMANENT REGISTRATION		
<p>1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड विनियम, 1993 के अधिनियम द्वारा प्रदान की शक्तों के अंतर्गत में, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के धारा 12 की शक्तों (1993) के अंतर्गत में प्रमाणपत्र जारी करने के लिए।</p> <p>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</p>		
CATALYST TRUSTEESHIP LIMITED GDA HOUSE, PLOT NO. 85, BHUSARI COLONY (RIGHT), PAUD ROAD PUNE - 411 038 MAHARASHTRA		
<p>को विनिमय में, प्रमाणपत्र जारी करने के लिए और विनिमय में भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधिनियम के अंतर्गत में प्रमाणपत्र जारी करने के लिए।</p> <p>as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.</p>		
2) रजिस्ट्रेशन कोड के लिए रजिस्ट्रेशन कोड		
2) Registration Code for the debenture trustee is IND000000034		
3) जब तक नवीकरण न किया जाए, रजिस्ट्रेशन प्रमाणपत्र		
3) Unless renewed, the certificate of registration is valid from		
3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.		
<p>भारतीय प्रतिभूति और विनिमय बोर्ड के लिए और विनिमय में Securities and Exchange Board of India</p> <p><i>M. J. Sonparote</i> MEDIA SONPAROTE</p>		
स्थान/Place	MUMBAI	
दिनांक/Date	JULY 23, 2010	



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 is 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	No
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



ANNEXURE D

ILLUSTRATIVE CASH FLOW

Series I

Company	IIFL Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	100
Deemed date of allotment (assumed)	Tuesday, 30 March, 2021
Tenor (in months)	87
Effective Yield (% per annum) for NCD Holders in all Category	10.00%
Coupon (% per annum) for NCD Holders in all Category	10.00%
Frequency of Interest Payment	Annual
Redemption Date/Maturity Date (assumed)	Friday, 30 June, 2028
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Date of Payment	No. of Days in Coupon Period	For all Categories of Investors (Rs.)
Cash Outflow	Tuesday, 30 March, 2021	Tuesday, 30 March, 2021		-100,000
1st Coupon/ Interest	Wednesday, 30 March, 2022	Wednesday, 30 March, 2022	365	10,000
2nd Coupon/ Interest	Thursday, 30 March, 2023	Thursday, 30 March, 2023	365	10,000
3rd Coupon/ Interest	Saturday, 30 March, 2024	Monday, 1 April, 2024	366	10,000
4th Coupon/ Interest	Sunday, 30 March, 2025	Monday, 31 March, 2025	365	10,000
5th Coupon/ Interest	Monday, 30 March, 2026	Monday, 30 March, 2026	365	10,000
6th Coupon/ Interest	Tuesday, 30 March, 2027	Tuesday, 30 March, 2027	365	10,000
7th Coupon/ Interest	Thursday, 30 March, 2028	Thursday, 30 March, 2028	366	10,000
8th Coupon/ Interest	Friday, 30 June, 2028	Friday, 30 June, 2028	92	2,521
Redemption of Principal	Friday, 30 June, 2028	Friday, 30 June, 2028		100,000
Total Cash Inflows				172,521

Series II

Company	IIFL Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	100
Deemed date of allotment (assumed)	Tuesday, 30 March, 2021
Tenor (in months)	87
Effective Yield (% per annum) for NCD Holders in all Category	10.03%
Coupon (% per annum) for NCD Holders in all Category	9.60%
Frequency of Interest Payment	Monthly
Redemption Date/Maturity Date (assumed)	Friday, 30 June, 2028
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Date of Payment	No. of Days in Coupon Period	For all Categories of Investors (Rs.)
Cash Outflow	Tuesday, 30 March, 2021			-100,000.00
Coupon/ Interest Payment date	Saturday, 1 May, 2021	Monday, 3 May, 2021	32	841.64
Coupon/ Interest Payment date	Tuesday, 1 June, 2021	Tuesday, 1 June, 2021	31	815.34
Coupon/ Interest Payment date	Thursday, 1 July, 2021	Thursday, 1 July, 2021	30	789.04
Coupon/ Interest Payment date	Sunday, 1 August, 2021	Monday, 2 August, 2021	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 September, 2021	Wednesday, 1 September, 2021	31	815.34
Coupon/ Interest Payment date	Friday, 1 October, 2021	Friday, 1 October, 2021	30	789.04
Coupon/ Interest Payment date	Monday, 1 November, 2021	Monday, 1 November, 2021	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 December, 2021	Wednesday, 1 December, 2021	30	789.04
Coupon/ Interest Payment date	Saturday, 1 January, 2022	Monday, 3 January, 2022	31	815.34
Coupon/ Interest Payment date	Tuesday, 1 February, 2022	Tuesday, 1 February, 2022	31	815.34
Coupon/ Interest Payment date	Tuesday, 1 March, 2022	Tuesday, 1 March, 2022	28	736.44
Coupon/ Interest Payment date	Friday, 1 April, 2022	Friday, 1 April, 2022	31	815.34
Coupon/ Interest Payment date	Sunday, 1 May, 2022	Monday, 2 May, 2022	30	789.04
Coupon/ Interest Payment date	Wednesday, 1 June, 2022	Wednesday, 1 June, 2022	31	815.34
Coupon/ Interest Payment date	Friday, 1 July, 2022	Friday, 1 July, 2022	30	789.04
Coupon/ Interest Payment date	Monday, 1 August, 2022	Monday, 1 August, 2022	31	815.34
Coupon/ Interest Payment date	Thursday, 1 September, 2022	Thursday, 1 September, 2022	31	815.34
Coupon/ Interest Payment date	Saturday, 1 October, 2022	Monday, 3 October, 2022	30	789.04
Coupon/ Interest Payment date	Tuesday, 1 November, 2022	Tuesday, 1 November, 2022	31	815.34
Coupon/ Interest Payment date	Thursday, 1 December, 2022	Thursday, 1 December, 2022	30	789.04
Coupon/ Interest Payment date	Sunday, 1 January, 2023	Monday, 2 January, 2023	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 February, 2023	Wednesday, 1 February, 2023	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 March, 2023	Wednesday, 1 March, 2023	28	736.44
Coupon/ Interest Payment date	Saturday, 1 April, 2023	Monday, 3 April, 2023	31	815.34
Coupon/ Interest Payment date	Monday, 1 May, 2023	Tuesday, 2 May, 2023	30	789.04
Coupon/ Interest Payment date	Thursday, 1 June, 2023	Thursday, 1 June, 2023	31	815.34
Coupon/ Interest Payment date	Saturday, 1 July, 2023	Monday, 3 July, 2023	30	789.04
Coupon/ Interest Payment date	Tuesday, 1 August, 2023	Tuesday, 1 August, 2023	31	815.34
Coupon/ Interest Payment date	Friday, 1 September, 2023	Friday, 1 September, 2023	31	815.34
Coupon/ Interest Payment date	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	789.04
Coupon/ Interest Payment date	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	815.34
Coupon/ Interest Payment date	Friday, 1 December, 2023	Friday, 1 December, 2023	30	789.04
Coupon/ Interest Payment date	Monday, 1 January, 2024	Monday, 1 January, 2024	31	813.11
Coupon/ Interest Payment date	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	813.11
Coupon/ Interest Payment date	Friday, 1 March, 2024	Friday, 1 March, 2024	29	760.66
Coupon/ Interest Payment date	Monday, 1 April, 2024	Monday, 1 April, 2024	31	813.11
Coupon/ Interest Payment date	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	786.89
Coupon/ Interest Payment date	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	813.11
Coupon/ Interest Payment date	Monday, 1 July, 2024	Monday, 1 July, 2024	30	786.89
Coupon/ Interest Payment date	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	813.11
Coupon/ Interest Payment date	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	813.11
Coupon/ Interest Payment date	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	786.89
Coupon/ Interest Payment date	Friday, 1 November, 2024	Friday, 1 November, 2024	31	813.11
Coupon/ Interest Payment date	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	786.89
Coupon/ Interest Payment date	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	815.34
Coupon/ Interest Payment date	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	815.34
Coupon/ Interest Payment date	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	736.44
Coupon/ Interest Payment date	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	815.34
Coupon/ Interest Payment date	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	789.04
Coupon/ Interest Payment date	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	815.34
Coupon/ Interest Payment date	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	789.04
Coupon/ Interest Payment date	Friday, 1 August, 2025	Friday, 1 August, 2025	31	815.34

Cash Flows	Due Date	Actual Date of Payment	No. of Days in Coupon Period	For all Categories of Investors (Rs.)
Coupon/ Interest Payment date	Monday, 1 September, 2025	Monday, 1 September, 2025	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	789.04
Coupon/ Interest Payment date	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	815.34
Coupon/ Interest Payment date	Monday, 1 December, 2025	Monday, 1 December, 2025	30	789.04
Coupon/ Interest Payment date	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	815.34
Coupon/ Interest Payment date	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	815.34
Coupon/ Interest Payment date	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	736.44
Coupon/ Interest Payment date	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	815.34
Coupon/ Interest Payment date	Friday, 1 May, 2026	Monday, 4 May, 2026	30	789.04
Coupon/ Interest Payment date	Monday, 1 June, 2026	Monday, 1 June, 2026	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	789.04
Coupon/ Interest Payment date	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	815.34
Coupon/ Interest Payment date	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	815.34
Coupon/ Interest Payment date	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	789.04
Coupon/ Interest Payment date	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	815.34
Coupon/ Interest Payment date	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	789.04
Coupon/ Interest Payment date	Friday, 1 January, 2027	Friday, 1 January, 2027	31	815.34
Coupon/ Interest Payment date	Monday, 1 February, 2027	Monday, 1 February, 2027	31	815.34
Coupon/ Interest Payment date	Monday, 1 March, 2027	Monday, 1 March, 2027	28	736.44
Coupon/ Interest Payment date	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	815.34
Coupon/ Interest Payment date	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	789.04
Coupon/ Interest Payment date	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	815.34
Coupon/ Interest Payment date	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	789.04
Coupon/ Interest Payment date	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	815.34
Coupon/ Interest Payment date	Friday, 1 October, 2027	Friday, 1 October, 2027	30	789.04
Coupon/ Interest Payment date	Monday, 1 November, 2027	Monday, 1 November, 2027	31	815.34
Coupon/ Interest Payment date	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	789.04
Coupon/ Interest Payment date	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	813.11
Coupon/ Interest Payment date	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	813.11
Coupon/ Interest Payment date	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	760.66
Coupon/ Interest Payment date	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	813.11
Coupon/ Interest Payment date	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	786.89
Coupon/ Interest Payment date	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	813.11
Coupon/ Interest Payment date	Friday, 30 June, 2028	Friday, 30 June, 2028	29	760.66
Redemption of Principal	Friday, 30 June, 2028	Friday, 30 June, 2028		100,000.00
Total Cash Inflows				169,630.79

Series III

Company	IIFL Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	100
Deemed date of allotment (assumed)	Tuesday, 30 March, 2021
Tenor (in months)	87
Effective Yield (% per annum) for NCD Holders in all Category	10.03%
Coupon (% per annum) for NCD Holders in all Category	NA
Frequency of Interest Payment	At Maturity
Redemption Date/Maturity Date (assumed)	Friday, 30 June, 2028
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Date of Payment	No. of Days in Coupon Period	For all Categories of Investors (Rs.)
Cash Outflow	Tuesday, 30 March, 2021	Tuesday, 30 March, 2021		-100,000.00
Redemption of Principal	Friday, 30 June, 2028	Friday, 30 June, 2028	2649	200,000.00
Total Cash Inflows				200,000.00