IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

IIFL Home Finance Limited (the "**Company**" or "**Issuer**") was incorporated at Mumbai on December 26, 2006 with the name India Infoline Housing Finance Limited under the provisions of the Companies Act, 1956. The name of our Company was changed to IIFL Home Finance Limited pursuant to a fresh certificate of incorporation dated on May 2, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company is registered with the National Housing Bank ("**NHB**") as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. For more information about the Company, please refer "*General information*" on pages 18 and "*History and Main Objects*" on page 108 of this Tranche II Prospectus and page 111 of the Shelf Prospectus.

CIN: U65993MH2006PLC166475; **PAN:** AABCI6154K; **Website:** www.iiflhomeloans.com;

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India.; **Tel:** +91 22 4103 5000; **Fax:** +91 22 2580 6654

Corporate Office: Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122015, Haryana, India; **Tel.:** +91 124 4754 600;

Chief Financial Officer: Amit Kumar Gupta; **Email**: iihfl.accounts@iifl.com; **Telephone**: + 91 124 4754 600;

Company Secretary and Compliance Officer: Ajay Jaiswal; **Email:** secretarialhfc@iifl.com; **Telephone**: + 91 124 4754 600;

PUBLIC ISSUE BY IIFL HOME FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1000 EACH ("SECURED 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 II ISSUE LIMIT") ("TRANCHE II ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 50,000 MILLION AND IS BEING OFFERED BY WAY OF THIS TRANCHE II PROSPECTUS DATED DECEMBER 3, 2021 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE II ISSUE ("TRANCHE II PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED JUNE 29, 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 THIS TRANCHE II PROSPECTUS CONSTITUTE THE PROSPECTUS ("PROSPECTUS").

THIS TRANCHE II ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED. THE TRANCHE II ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTER

Our Promoter is IIFL Finance Limited (formerly known as IIFL Holdings Limited); **Email**: governance@iifl.com; **Tel**: +91 22 6788 1000. For details of our Promoter, please see *"Our Promoter"* on page 125.

GENERAL RISKS

Investment in debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Tranche II Issue, including the risks involved. Specific attention of the Investors is invited to the sections titled "*Risk Factors*" on page 34 and "*Material Developments*" on page 33. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities This Tranche II 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**"), National Housing Bank ("**NHB**"), any registrar of companies or any stock exchange in India.

CREDIT RATING

The Secured NCDs proposed to be issued under the Issue have been rated "**CRISIL AA/Stable**" (pronounced as CRISIL double A rating with stable outlook) for an amount of ₹50,000 million by CRISIL Ratings Limited ("**CRISIL**") vide their rating letter dated June 11, 2021 and revalidated *vide* letter dated November 25, 2021 and "**BWR AA+/ Negative (Assigned)**" (pronounced as "BWR Double A plus with Negative outlook") for an amount of ₹ 50,000 million by Brickwork Ratings India Private Limited *vide* their rating letter dated June 11, 2021 and revalidated *vide* letter dated November 26, 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 II Prospectus for the rationale of the above ratings.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount and eligible Investors of the Secured NCDs, please see "*Issue Structure*" on page 336.

LISTING

The Secured NCDs offered through this Tranche II Prospectus are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company has received an 'in-principle' approval from BSE *vide* its letter no. DCS/BM/PI-BOND/006/21-22 dated June 24, 2021 and NSE *vide* its letter no. NSE/LIST/D/2021/0061 dated June 24, 2021 and an extension of validity for three months *vide* letter dated November 25, 2021. For the purpose of the Tranche II Issue, NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated June 17, 2021 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

Edelweiss Financial Services Limited
Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Email: iihfl.ncd@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Lokesh Singhi

IIFL Securities Limited*
10th Floor, IIFL Centre, Kamala Centre,
Senapati Bapat Marg, Lower Parel (West),
Mumbai – 400 013, Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
Email: iiflhome.ncd@iiflcap.com
Investor Grievance Email:
ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Nishita Mody
Compliance Officer: Pawan Jain

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg,
Prabhadevi, Mumbai, 400025, India
Tel: +91 22 68077100
Email: iiflhome.ncd@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Ankit Sharma

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex,
N.M. Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: + 91 22 4332 0700
Email: iiflhome.ncd@equirus.com
Website: www.equirus.com
Contact person: Ankit Jain

Trust Investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051,
Maharashtra, India
Tel: +91 22 4084 5000
Email: projectdawn@trustgroup.in
Website: www.trustgroup.in
Contact Person: Hani Jalan

DEBENTURE TRUSTEE TO THE ISSUE***

Catalyst Trusteeship Limited
GDA House, Plot No. 85
Bhusari Colony (Right)
Kothrud, Pune 411 038
Maharashtra, India
Tel: + 91 22 4922 0542
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website:
www.catalysttrustee.com
Contact Person: Umesh Salvi

CREDIT RATING AGENCIES

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076
Maharashtra, India
Tel: +91 22 3342 3000
Email:
crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Krishnan Sitaraman

Brickwork Ratings India Private Limited
3rd Floor, Raj Alkaa Park, Kalena Agahara, Banerghatta Road,
Bengaluru 560 076
Karnataka, India
Tel: +91 8040409940
Email: info@brickworkratings.com
Website:
www.brickworkratings.com
Contact Person: K.N. Suvarna

STATUTORY AUDITORS

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

Suresh Surana & Associates LLP
308-309 Technopolis
Knowledge Park, Mahakali Caves Road Andheri (East),
Mumbai - 400021
Tel: +91 22 22875770
Email: emails@ss-associates.com
Membership No.: 102306
Firm Registration No:
121750W/W-100010
Contact Person: Ramesh Gupta

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel.: + 91 22 4918 6200
Fax: +91 22 4918 6195
Email:
iiflhome.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan

ISSUE PROGRAMME**

TRANCHE II ISSUE OPENS ON: WEDNESDAY, DECEMBER 8, 2021	TRANCHE II ISSUE CLOSES ON: TUESDAY, DECEMBER 28, 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 II 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 II 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 II 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 and a regional daily at the place where the registered office of the Company is situated on or before such earlier or extended date of Tranche II Issue closure. Applications Forms for the Tranche II 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 II Issue Period. On the Tranche II 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 336.*

**** Catalyst Trusteeship Limited under regulation 4(4) of SEBI Debt Regulations has by its letters dated May 28, 2021 and November 29, 2021, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the Secured NCDs issued pursuant to the Issue and the same is annexed as Annexure C in this Tranche II Prospectus*

A copy of the Shelf Prospectus and this Tranche II 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 387.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

General Terms

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

Company related terms

Term	Description
"Articles" or "Articles of Association" "AOA"	Articles of Association of our Company
Asset Liability Management Committee or ALCO	Asset Liability Management Committee of the Board of Directors
Associate Company or "SML"	IIFL Samasta Microfinance Limited (Formerly known as Samasta Microfinance Limited)
Audit Committee	Audit committee of the Board of Directors
"Auditors" or "Statutory Auditors" or "Joint Statutory Auditors"	The statutory auditors of the Company, M/s M.P. Chitale & Co., Chartered Accountants and Suresh Surana & Associates LLP
"Board" or "Board of Directors" or "our Board" or "our Board of Directors"	Board of Directors of our Company or any duly constituted committee thereof.
Committee	A committee constituted by the Board, from time to time.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of the Board of Directors
Corporate Office	The corporate office of our Company is at Plot No. 98, Udyog Vihar Phase – IV, Gurgaon 122 015, India.
Credit Committee	Credit Committee as constituted by the Board of Directors
Directors	Directors of the Company
DSA	Direct Selling Agent
Equity Shares	Equity shares of the Company of face value of ₹ 10 each
Finance Committee	Finance committee as constituted by the Board of Directors
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
IT Strategy Committee	IT strategy committee as constituted by the Board of Directors
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in the Shelf Prospectus and appointed in accordance with Key Managerial Personnel, as defined under Section 2(51) of the Companies Act, 2013, as under: "key managerial personnel", in relation to a company, means –

Term	Description
	i. the chief executive officer or the managing director or the manager; ii. the company secretary; iii. the whole-time director; iv. the chief financial officer; and v. such other officer not more than one level below the directors who is in whole-time employment designated as key managerial personnel by the Board; and such other officer as may be prescribed"
LAP	Loan Against Property
Limited Review Financial Results	Limited Review Financial Results dated October 21, 2021 for the quarter ended September 30, 2021 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
Loan Book	Loan book of the Company recording relevant entries of the secured and/or unsecured loans advanced by the Company
"Memorandum" or "MoA" or "Memorandum of Association"	Memorandum of Association of our Company
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Board of Directors
Net-worth	As defined in Sec 2(57) of the Companies Act, 2013, as follows: "Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation."
Preference Shares	Preference shares of the Company
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018.
"Promoter" or "our Promoter"	The promoter of our Company is IIFL Finance Limited (formerly known as IIFL Holdings Limited)
Reformatted Financial Statement	The Reformatted Statement of Assets and Liabilities of our Company as at March 31, 2021, March 31, 2020 and March 31, 2019 and the Reformatted Statement of profit and loss for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Reformatted Statement of Cash Flows for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Reformatted Statement of Changes in Equity for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Statement of Significant Accounting Policies and notes forming part thereof. The audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 form the basis for such Reformatted Financial Statement under Ind AS.
Registered Office	The registered office of our Company is at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane 400 604, Maharashtra, India
Risk Management Committee	Risk Management Committee of the Board of Directors
RoC/Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
Shareholders	The holders of the Equity Shares from time to time

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing salient features of the Shelf Prospectus and this Tranche II 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 Secured NCDs allotted to the Allottees in accordance with the Basis of Allotment
"Allotment", "Allot" or	Unless the context otherwise requires, the allotment of Secured NCDs to the successful

Term	Description
Allotted	Applicants pursuant to this Tranche II Issue to the successful Allottees
Allottee(s)	A successful Applicant to whom the Secured NCDs will be/have been allotted
"Applicant" or "Investor" or "Bidder" or "ASBA Applicant"	Any person who applies for issuance and Allotment of Secured NCDs through ASBA process or through UPI mechanism pursuant to the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus and Abridged Prospectus and the Application Form for this Tranche II 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 Secured NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising the relevant SCSB to block the Application Amount in the relevant ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto ₹ 2,00,000 which will be considered as the application for Allotment in terms of this Tranche II Prospectus.
Application Amount/ Bid Amount	The aggregate value of the Secured NCDs applied for, as indicated in the Application Form for this Tranche II 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 Secured NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of Secured NCDs in terms of the Shelf Prospectus and this Tranche II 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 ₹ 2,00,000.
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 II Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 380.
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)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the Secured NCDs; • Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the Secured 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)	• 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

Term	Description
	and authorised to invest in the Secured NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the Secured NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the Secured NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of Secured NCDs in the Issue
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 Secured 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 SEBI Operational 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 SEBI Operational 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) / 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.
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the Secured NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements.
Debenture Trustee Agreement	The agreement dated June 16, 2021 read with addendum dated November 26, 2021 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) / Secured NCD(s)	Non-Convertible Debentures
Deemed Date of Allotment	The date on which the Board of Directors/or the Finance Committee approve the Allotment of the Secured NCDs for this Tranche II 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 Secured NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Secured NCDs including interest on Secured NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code, bank account detail and UPI ID, where applicable.
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.

Term	Description
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 II 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 SEBI Operational 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	The designated stock exchange for the Issue, being the NSE.
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 17, 2021, 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 "*Terms of the Issue*" on page 342
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Secured NCDs**") and/or unsecured subordinated redeemable non-convertible debentures of the face value of ₹ 1,000 each ("**Unsecured NCDs**") (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**").
Issue Agreement	The Issue Agreement dated June 16, 2021 read with addendum to issue agreement dated December 1, 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 December 1, 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, Trust Financial Consultancy Services Private Limited and Trust Securities Services Private Limited
Lead Managers/ LMs	Edelweiss Financial Services Limited, IIFL Securities Limited*, ICICI Securities Limited, Equirus Capital Private Limited and Trust Investment Advisors Private Limited. **IIFL Securities Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("**Merchant Bankers Regulations**"). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Securities Limited would be involved only in marketing of the Issue*.
Market Lot	1 (one) Secured NCD.

Term	Description
Maturity Amount or Redemption Amount	Please see the section titled "*Terms of the Issue*" on page 342
Maturity Date or Redemption Date	Please see the section titled "*Terms of the Issue*" on page 342
Members of the Syndicate	Members of the Syndicate includes Lead Managers 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, the Shelf Prospectus, this Tranche II 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 387.
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 II Prospectus.
Public Issue Account and Sponsor Bank Agreement	Agreement dated December 1, 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 SEBI Operational 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	The record date for payment of interest in connection with the Secured 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 Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company will be deemed as the Record Date.
Recovery Expense Fund	Recovery expense fund created in compliance with SEBI circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020
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 II Prospectus.
Refund Bank(s)	ICICI Bank Limited
Register of Debenture Holders/ Secured 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 16, 2021 read with addendum to registrar agreement dated December 1, 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/	Link Intime India Private Limited.

Term	Description
Registrar	
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://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series	Collectively the Series of Secured NCDs being offered to the Applicants as stated in the section titled "*Issue Related Information*" beginning on page 336.
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 June 29, 2021 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.
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 ₹ 200,000 and carry out any other responsibilities in terms of the SEBI Operational Circular and for this Tranche II Issue being ICICI Bank Limited.
Stock Exchange(s)	BSE and NSE.
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.
Tenor	Please see the section titled "*Terms of the Issue*" on page 342.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned
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 Secured NCDs pursuant to the respective Tranche Prospectus.
Tranche I Issue	Public Issue by the Company of Un-secured NCDs for an amount of ₹ 1,000 million with an option to retain oversubscription up to ₹ 9,000 million amounting to ₹ 10,000 million which was within the Shelf Limit of ₹ 50,000 million and was offered by way of the Tranche I Prospectus dated June 29, 2021, read together with the Shelf Prospectus filed with the RoC,

Term	Description
	SEBI and Stock Exchanges.
Tranche II Issue	Proposed Public issue of Secured 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 II Issue Limit**") which is within the shelf limit of ₹ 50,000 million
Tranche II Issue Closing Date	Tuesday, December 28, 2021
Tranche II Issue Opening Date	Wednesday, December 8, 2021
Tranche II Issue Period	The period between the Tranche II Issue Opening Date and the Tranche II 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.
Tripartite Agreements	Tripartite Agreement dated December 17, 2012 among our Company, the Registrar and CDSL and Tripartite Agreement dated September 9, 2010 among our Company, the Registrar and NSDL.
Transaction Documents	Transaction documents shall mean this Tranche II 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 Operational Circular as amended from time to time, to block funds for application value upto ₹ 200,000 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
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	Wilful defaulter shall have the same meaning as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
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 II 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 II Issue Closing Date to listing of the Secured NCDs, Working Days shall mean all trading days of stock exchanges excluding Sundays and bank holidays as per the SEBI Operational Circular. However, with reference to payment of interest/redemption of Secured 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 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

Term/Abbreviation	Description/ Full Form
ALCO/ Asset Management Committee	Assets Liability Management Committee
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
ASBA	Application Supported by Blocked Amount
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
Billion	1000000000 (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
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India

Term/Abbreviation	Description/ Full Form
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
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
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 and repealed w.e.f. August 16, 2021
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Term/Abbreviation	Description/ Full Form
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
BBA	Indian Bullion and Jewellers Association Limited, formerly known as Bombay Bullion Association Limited
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MFI	Microfinance institutions
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important Non Deposit taking NBFC
NHB	National Housing Bank
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NOF	Net owned funds
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021
MSME	Micro, Small and Medium Enterprises
BBA	Indian Bullion and Jewellers Association Limited, formerly known as Bombay Bullion Association Limited
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MFI	Microfinance institutions
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically important Non Deposit taking NBFC
NHB	National Housing Bank
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NOF	Net owned funds
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021
MSME	Micro, Small and Medium Enterprises

Notwithstanding anything contained herein, capitalised terms that have been defined in the *chapters titled "Capital Structure", "Regulations and Policies", "History and Main Objects", "Statement of Tax Benefits", "Our Management", "Financial Indebtedness", "Outstanding Litigation and Statutory Defaults" and "Issue Procedure"* on pages 54, 135, 111,

62, 114, 309, 335 and 392 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 II 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.

With effect from April 1, 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. Our Company's financial statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 have been prepared in accordance with Ind AS.

The Reformatted Financial Statements are included in the Tranche II Prospectus. The examination reports on the Reformatted Financial Statements as issued by our Company's Joint Statutory Auditors, M.P. Chitale & Co., Chartered Accountants and Suresh Surana and Associates LLP, Chartered Accountants are included in the Tranche II Prospectus in the section titled "*Financial Information*" beginning at page 185.

The Limited Review Financial Results dated October 21, 2021 for the quarter ended September 30, 2021 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 ("**Limited Review Financial Results**") are included in the Tranche II Prospectus.

Further, limited reviewed unaudited financial results for quarter ended September 30, 2021 is not indicative of full year results and are not comparable with annual financial information.

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 Tranche II Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche II Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche II 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 (October 2021 update)*" issued by CRISIL Limited for industry related data that has been disclosed in this Tranche I 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. 39 – Statistical and Industry data in this document is derived from the CRISIL report commissioned by us for such purpose. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable.***"** on page no. 50. 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 II 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 II Prospectus, data will be given in ₹ in million.

Certain figures contained in this Tranche II 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.

Industry and Market Data

Any industry and market data used in this Tranche II 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 II 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 II 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.

In this Tranche II 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 II 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 II Prospectus that are not historical facts. All statements contained in this Tranche II 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 and this Tranche II Prospectus, including under the section titled "*Risk Factors*" on page 19 of the Shelf Prospectus and on page 34 of this Tranche II 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 93, 19 and 335 respectively of the Shelf Prospectus and on pages 90, 34 and 161 respectively of this Tranche II Prospectus. The forward-looking statements contained in this Tranche II 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 II 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 NCS Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Tranche II Prospectus with the ROC until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated under the provisions of the Companies Act, 1956 on December 26, 2006, under the name of India Infoline Housing Finance Limited. Its name was changed to 'IIFL Home Finance Limited' pursuant to fresh certificate of incorporation dated May 02, 2018, issued by the Registrar of Companies, Maharashtra, Mumbai.

Our Company is registered with the NHB as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. The NHB registration no. before change of name of IIFL Home Finance Limited was 02.0070.09 dated February 03, 2009. The IIFL Home Finance Limited has been notified as a financial institution under SARFAESI Act vide Government notification dated June 23, 2010.

For details of the business of our Company, see "*Our Business*" beginning on page 90.

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

Permanent Account Number: AABCI6154K

Registered Office:

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

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

For further details regarding changes to our Registered Office, see "*History and Main Objects*" beginning on page 108 this Tranche II Prospectus and page 111 of the Shelf Prospectus.

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

Chief Financial Officer:

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

Company Secretary and Compliance Officer:

Ajay Jaiswal
Plot No. 98,
Udyog Vihar Phase – IV,
Gurgaon 122 015,
Haryana, India
Tel.: + 91 124 4754 600
Email: secretarialhfc@iifl.com

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

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

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

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

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

Lead Managers:

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

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

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg,
Prabhadevi, Mumbai, 400025, India
Tel: +91 22 68077100
Email: iiflhome.ncd@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Ankit Sharma
Compliance Officer: Ankit
SEBI Registration Number: INM000011179
CIN: L67120MH1995PLC086241

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

Equirus Capital Private Limited
12th Floor, C Wing
Marathon Futurex
N.M. Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India.
Tel: +91 22 4332 0700
Fax: +91 22 4332 0750
Email: iiflhome.ncd@equirus.com
Investor Grievance Email: investorsgrievance@equirus.com
Website: www.equirus.com
Contact person: Ankit Jain
Compliance Officer: Parth Pankhaniya
SEBI Registration Number: INM000011286
CIN: U65910MH2007PTC172599

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.*

Lead Brokers to the Issue:

Edelweiss Broking Limited
2nd Floor, Office No. 201-203,
Zodiac Plaza,
Xavier College Road,
Off C G Road, Ahmedabad – 380 009,
Gujarat, India
Tel.: +91 79 4009 4400
Fax: NA
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 Number No.: INZ000005231

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai - 400025,
Maharashtra, India
Tel.: + 91 22 6807 7100
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
Office No 1, Gr Flr, Hubtown Solaris
NS Phadke Marg, near East West Flyover,
Andheri, Vijay Nagar, Mumbai 400 069
Maharashtra, India
Tel.: + 91 22 3929 4000/4103 5000
Fax: + 91 22 2580 6654
Email: cs@iifl.com
Investor Grievance Email: cs@iifl.com
Website: www.indainfoline.com
Contact Person: Sandeep Bhardwaj
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, Maharashtra, India
Tel.: + 91 22 4332 0600
Fax: +91 22 4332 0601
Email: mahek.gandhi@equirus.com
Investor Grievance Email: admin_equities@equirus.com
Website: www.equirus.com
Contact Person: Mahek Gandhi
SEBI Registration No: INZ000251536

Trust Financial Consultancy Services Private Limited
1101, Naman Centre, G Block, C-31,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Maharashtra, India.
Tel.: + 91 22 4084 5000
Fax: + 91 22 4084 5066
Email: pranav.inamdar@trustgroup.in;
projectdawn@trustgroup.in
Investor Grievance Email ID: grievances@trustgroup.in
Website: www.trustgroup.in
Contact Person: Pranav Inamdar
SEBI Registration Number: INZ000238639

Trust Securities Services Private Limited
1202, Naman Centre, G Block, C-31,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Maharashtra, India.
Tel.: + 91 22 2656 7536
Fax: + 91 22 2656 6698
Email: parth.maniar@trustgroup.in;
projectdawn@trustgroup.in
Investor Grievance Email ID: grievances@trustgroup.in
Website: www.trustgroup.in
Contact Person: Parth Maniar
SEBI Registration Number: INZ000158031

Debenture Trustee:

Catalyst Trusteeship Limited
'GDA House' Plot No. 85, Bhusari Colony (Right)
Kothrud, Pune 411 038, Maharashtra, India.
Tel: +92 22 4922 0555
Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
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: iiflhome.ncd@linkintime.co.in
Investor Grievance mail: iiflhome.ncd@linkintime.co.in
Website: www.linkintime.co.in

Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer : B. N. Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Joint Statutory Auditors:

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

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

Suresh Surana & Associates LLP
308-309 Technopolis Knowledge Park,
Mahakali Caves Road Andheri (East),
Mumbai 400 021,
Maharashtra, India
Tel: +91 22 22875770
Email: emails@ss-associates.com
Membership No.: 102306
Firm Registration No: 121750W/W-100010
Contact Person: Ramesh Gupta

Suresh Surana & Associates LLP., Chartered Accountants has been the statutory auditors of our Company since September 30, 2021.

Credit Rating Agencies

CRISIL Limited
CRlSIL House, Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076
Maharashtra, India.
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/00l/1999
CIN: L67120MH1987PLC042363

Brickwork Ratings India Private Limited
3rd Floor, Raj Alkaa Park
Kalena Agahara, Banerghatta Road
Bengaluru 560076
Karnataka, India
Tel: +91 80404 09940
Fax: +91 80404 09941
Email: info@brickworkratings.com
Website: www.brickworkratings.com
Contact Person: K.N. Suvarna
SEBI Registration No: IN/CRA/005/2008
CIN: U67190KA2007PTC043591

Industry Report

CRISIL Limited
CRlSIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400 076
Maharashtra, India.
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Website: www.crisil.com
SEBI Registration No: IN/CRA/00l/1999
CIN: L67120MH1987PLC042363

Disclaimer Clause of CRISIL Limited (Industry Report)

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). 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 Home Finance 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 Ratings Limited / 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 Ratings Limited / CRIS. No part of this Report may be published/ reproduced in any form without CRISIL's prior written approval.

Legal Counsel to the Issue

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

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 400 020
Maharashtra, India.
Telephone: +91 22 6681 8911/23/24
Fax: +91 22 2261 1138
Email: sagar.welekar@icicibank.com
Website: www.icicibank.com
Contact Person: Sagar Welekar
SEBI Registration Number: INBI00000004

Bankers to our Company

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

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

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

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

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 SEBI Operational 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 II 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;

(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 ₹1 million 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 ₹1 million 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 ₹5 million or with both.

Minimum Subscription

In terms of the SEBI NCS 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 II 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 II 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 Tranche II Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 percent per annum for the delayed period.

In case of failure of the Tranche II Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be unblocked in the Applicants ASBA Account within two Working Days from the scheduled listing date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 percent per annum from the scheduled listing date till the date of actual payment.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Credit Rating and Rationale

The Secured NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) for an amount of ₹50,000 million by CRISIL Ratings Limited vide their rating letter dated June 11, 2021 and revalidated vide letter dated November 25, 2021 and BWR AA+/ Negative (Assigned) (pronounced as "BWR Double A plus with Negative outlook") for an amount of ₹50,000 million by Brickwork Ratings India Private Limited vide their rating letter dated June 11, 2021 and revalidated vide letter dated November 26, 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 II 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 II Issue*" on page 29.

Tranche II Issue Programme

TRANCHE II ISSUE PROGRAMME*	
TRANCHE II ISSUE OPENS ON	Wednesday, December 8, 2021
TRANCHE II ISSUE CLOSES ON	Tuesday, December 28, 2021
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the Secured NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or the Finance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of Secured NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Secured NCDs including interest on Secured NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board of Directors or Finance Committee. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE or NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE and NSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 pm on one Working Day after the Issue Closing Date For further details please refer to the chapter titled "Issue Related Information" on page 336.*

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date For further details please refer to the chapter titled "Issue Related Information" on page 336.

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

Inter-se Allocation of Responsibilities among the Lead Managers:

The following table sets forth the inter-se allocation of responsibilities and coordination for various activities among the Lead Managers:

Sr. No.	Activities	Responsibility	Coordinator
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. • Drafting and designing of the offering document. (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and RoC filing). Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus(es) (together "Offer Documents") • Coordination with the Stock Exchanges for in-principle approval	Edelweiss, Equirus, ICICI Securities, Trust Investment	Edelweiss
2.	Structuring of various issuance options with relative components and formalities etc.	Edelweiss, Equirus, ICICI Securities, Trust Investment	Edelweiss
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	Edelweiss, Equirus, ICICI Securities, Trust Investment	Edelweiss
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	Edelweiss, Equirus, ICICI Securities, Trust Investment	Edelweiss
5.	• Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents. • Drafting and approval of statutory advertisement	Edelweiss, Equirus, ICICI Securities, Trust Investment	Trust Investment
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	Edelweiss, Equirus, ICICI Securities, Trust Investment	Trust Investment
7.	Preparation of road show presentation, FAQs.	Edelweiss, Equirus, ICICI Securities, IIFL Securities, Trust Investment	IIFL Securities and Equirus
8.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application	Edelweiss, Equirus, ICICI Securities, IIFL Securities, Trust Investment	IIFL Securities

Sr. No.	Activities	Responsibility	Coordinator
	Forms, Offer Documents, posters, banners, etc. • Finalise collection centres • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalisation of list and allocation of institutional investors for one on one meetings.		
9.	Domestic institutions/banks/mutual funds marketing strategy: Finalize the list and division of investors for one on one meetings, institutional allocation	Edelweiss, Equirus, ICICI Securities, IIFL Securities, Trust Investment	IIFL Securities and Equirus
10.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget • Finalize centers for holding conferences for brokers, etc.	Edelweiss, Equirus, ICICI Securities, IIFL Securities, Trust Investment	Trust Investment and IIFL Securities
11.	Coordination with the Stock Exchanges for use of the bidding software	Edelweiss, Equirus, ICICI Securities, Trust Investment	ICICI Securities
12.	Coordination for security creation by way of execution of Debenture Trust Deed	Edelweiss, Equirus, ICICI Securities, Trust Investment	ICICI Securities
13.	Post-issue activities including - • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution	Edelweiss, Equirus, ICICI Securities, Trust Investment	Edelweiss
14.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.	Edelweiss, Equirus, ICICI Securities, Trust Investment	Edelweiss

*Note: 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.*

OBJECTS OF THE TRANCHE II ISSUE

Tranche II Issue Proceeds

Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Secured 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 II Issue Limit")** ("**Tranche II Issue**") which is within the Shelf Limit of ₹ 50,000 million and is being offered by way of this Tranche II Prospectus, which should be read together with the Shelf Prospectus filed with the ROC, Stock Exchanges and SEBI.

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

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

[#]The Company shall not utilize the proceeds of this Tranche II Issue towards payment of prepayment penalty, if any.

[*]The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Tranche II Issue.

The details of the proceeds of this Tranche II Issue are summarized below:

(₹ in million)

Sr. No.	Description	Amount
1.	Gross Proceeds of the Tranche II Issue	10,000.00
2.	Less: Issue Related Expenses*	235.20
3.	Net Proceeds	9,764.80

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Tranche II Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2022, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Tranche II Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Tranche II 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.

Tranche II Issue expenses

A portion of this Tranche II Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses:

Particulars	Amount (₹ in million)	As percentage of Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue, Debenture Trustees, others	6.20	0.06%	2.64%
Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee, others	203.00	2.03%	86.31%
Advertising and Marketing, Printing and Stationery Costs	23.50	0.24%	9.99%
Other Miscellaneous Expenses	2.50	0.03%	1.06%
Grand Total	**235.20**	**2.35%**	**100.00%**

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II 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.

Interim use of proceeds

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

Augment our capital base

We are a housing finance company in India and are registered with the NHB and are a notified financial institution under the SARFAESI Act. We focus on providing affordable housing finance products for the economically weaker sections and lower income segments in India and cater to both salaried and self-employed borrowers. The Net Proceeds will be utilised to meet our future capital requirements which are expected to arise out of growth of our business and assets and to ensure compliance with the NHB Directions.

Other Confirmations

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

Proceeds from the Tranche II Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

No part of the proceeds from the Tranche II Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter.

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

All monies received out of the Tranche II 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.

Our Company confirms that it will not use the proceeds from the Tranche II 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.

Details of all monies utilised out of the Tranche II 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 II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche II Issue.

Details of all unutilised monies out of the Tranche II 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 II 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 II Prospectus in the section titled "*Issue Related Information*" beginning on page 336.

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 II Prospectus

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

Utilisation of the proceeds of the Tranche II Issue

(a) All monies received out of the Tranche II 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 II 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 Secured 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 II Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche II 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 II 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.

(g) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working days from the Tranche II 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.

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

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

SECTION III – ABOUT OUR COMPANY

MATERIAL DEVELOPMENTS

There are no material developments in relation to our Company as disclosed in the sections titled "*Risk Factors"* "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*History and Main Objects*", "*Our Management*", "*Our Promoter*", "*Financial Indebtedness*", "*Outstanding Litigations*", "*Financial Information*" in the Shelf Prospectus except as disclosed below which would make them misleading in any material respect.

IIHFL Sales Limited was incorporated on September 28, 2021 as a wholly owned subsidiary of our Company. The Company offers professional/ consultancy services that include sourcing, marketing, promoting, publicizing, advertising, brand building, selling and distributing, servicing any kind of financial products or financial instruments or all classes of insurance products or investment products or wealth products. It also intends to provide all kinds of advisory/consultancy services and fees based intermediation, syndication, Liasoning services.

All disclosures made in this Tranche II Prospectus, read together with the Shelf Prospectus as the "Prospectus" with respect to Tranche II 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.

RISK FACTORS

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

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

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

   The COVID-19 pandemic has had, and continues to have, a significant impact on the Indian economy and the communities in which we operate. India's GDP contracted by 7.3% in Fiscal 2021, primarily on account of the nationwide lockdown imposed by the Government to curb the spread of COVID-19 in the first two quarters of Fiscal 2021 and subsequently due to the second wave in the last quarter of Fiscal 2021. The CRISIL Report expects the pandemic-triggered economic downturn to result in lower banking credit growth, which will be affected due to a decrease in industrial demand and private consumption. For further details, see "*Industry Overview*" on page 70.

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

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

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

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

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

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

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

We have experienced considerable growth in recent years and we have significantly expanded our operations and branch network. Our total income grew from ₹ 18,461.10 million for the Fiscal 2019 to ₹ 20,677.50 million for Fiscal 2021, while our profit after tax grew from ₹ 3,063.93 million for the Fiscal 2019 to ₹ 4,010.95 million for Fiscal 2021. Our AUM has grown from ₹ 181,578.31 million as of March 31, 2019 to ₹ 2,06,936.87 million as of March 31, 2021. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

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

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

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

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

cash flows and financial condition.

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

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

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

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

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

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

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

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

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

Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the value of its collateral, in full or in part. The Debt Recovery Tribunal ("**DRT**") has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, there can be no assurance that any foreclosure proceedings would not be stayed by the DRT or any other relevant authority. In addition, delays on our part to take immediate action, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers, may hinder our ability to realize the full value of security. In the event that a regulatory agency

asserts jurisdiction over the enforcement proceedings, creditor actions can be further delayed. Therefore, there can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations, cash flows and financial condition.

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

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

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

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

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

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

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

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

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

not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures.

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

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

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

The following table describes the ALM of our Company as on September 30, 2021:

Particulars	Upto 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	6,109.60	2,892.73	2,845.36	7,679.00	13,898.34	44,750.83	25,862.75	46,102.17	150,140.78
Reserves and Surplus	-	-	-	-	-	-	-	24,108.38	24,108.38
Investment	0.50	0.50	0.50	1.51	3.11	13.23	13.58	2,125.07	2,157.99
Borrowings	2,036.20	6,058.72	3,737.02	9,985.43	15,055.78	36,078.00	16,847.08	37,012.22	126,810.45
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	118.25	-	-	-	3,710.85	-	-	3,829.10

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

As of September 30, 2021, our total borrowings were ₹130,639.55 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. There are restrictive covenants in the agreements we have entered into with our lenders that limit our ability to undertake certain types of transactions, any of which could adversely affect our business, results of operations and financial condition. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

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

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other

general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition, cash flows and results of operations. Due to moratorium pursuant to Covid-19 we witnessed in few instance the different methodology of amortization schedule was followed by the banks and also in some case the confirmation/communication for the final grant of moratorium was delayed by the bank due to lack of clarity which resulted in our Company having repaid the principal and interest on a date later than the due date determined by the bank, immediately on receiving communication from the bank regarding grant of moratorium.

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

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

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

Fiscal/ Period	Emphasis of Matter
2021	*We draw attention to Note 7.1 to the Financial Statements on possible effects of COVID-19 pandemic* *Our opinion is not modified in respect of this matter.*
2020	*We draw attention to Note 7,1 to the Financial statements, which fully describe that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of COVID 19 pandemic.*
2019	NA
Half year period ended September 30, 2021	*We draw attention to Note 8 to the unaudited standalone financial results with respect to the management's evaluation of COVID-19 impact on the future performance of the Company. This assessment and the outcome of the pandemic is made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. Our conclusion is not modified in respect of this matter.*

For further details, in relation to the emphasis of matter, etc. please refer Financial Information on page 185. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Secured NCDs.

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

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For details of our current credit ratings, see "*Our Business – Credit Ratings*" on page 101. Any downgrades in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

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

and markets.

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

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

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

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

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

For further details in relation to legal proceedings, see the section titled "*Outstanding Litigations*" on page 161.

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

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

14. There are outstanding legal proceedings against our group companies, if determined, could have a material adverse

impact on our business, results of operations and financial conditions.

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

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

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

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

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

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

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

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

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

Pursuant to RBI regulations, HFCs are currently required to maintain a minimum capital to risk (weighted) assets ratio ("**CRAR**") consisting of Tier I and Tier II Capital which collectively shall not be less than 13% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As of March 31, 2019, March 31, 2020, March 31, 2021, our CRAR (%) was 21.02%,23.71% and 22.98% respectively. Should we be required to raise

additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the NHB may increase its current CRAR requirements or risk weight for assets, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.

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

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

In the past our Company has received show cause notices from NHB and NHB has also leveid penalties on our Company. For details of show cause notices, please refer to "*Outstanding Litigations*" on page 161.

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

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

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

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

Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or

systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations, cash flows and financial condition.

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

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

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

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

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

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

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

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

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

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

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**")- this framework has been replaced by RBI with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

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

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

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

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

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

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

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

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

cash flows.

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

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

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

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

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

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

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

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Business – Risk Management Framework*" on page 102. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the

effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. For details, see " - *Any increase in the levels of NPAs in our AUM, for any reason whatsoever, would adversely affect our business, results of operations, cash flows and financial condition*" above.

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

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

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

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

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

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

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

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

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

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

position.

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

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

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

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

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

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

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

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

shareholders for approval, and their interests may differ from those of other holders of Equity Shares.

As on September 30, 2021, our Promoter holds 100% of the paid up equity share capital. Any change in control of the Promoter may have an adverse effect on the operations of the Company including influencing the policies of the Company. If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "IIFL" and our goodwill as a part of the IIFL group of companies may be adversely affected, which in turn could adversely affect our business and results of operations. Further, our Promoter has the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

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

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

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

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

We have been given the right to use the IIFL Home Loan trademark, owned by IIFL Securities pursuant to the trademark license agreement dated April 12, 2021 entered into between our Company and IIFL Securities Limited. We have been provided a non-exclusive, non-transferable, as set out therein, to use the trademark. Any termination of the agreement by IIFL Securities Limited may result in us being unable to use this trademark which could have a material adverse effect on our reputation and business. Further, our home loan processing is done through our proprietary application "Jhatpat Loans". We have not filed for any intellectual property protection for our mobile application. The lack of such registration adversely affects our ability to protect such intellectual property. For further details, please see "*History and Main Objects*" on page 108.

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

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

We offer our customers fixed and variable interest rate loans, which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans'

interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates, which has led to a high incidence of balance transfer, which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for customers in refinancing their existing housing loan from another bank or financial institution, may also adversely affect our balance transfer loan originations. As competition in the housing finance sector intensifies, some of our customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, results of operations and financial condition.

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

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

Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details of historical related party transactions, please see "*Financial Information*" on page 185.

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

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

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

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

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

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

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

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

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

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

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

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

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

This document includes information that is derived from the report on '*NBFC Report- October 2021*', prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"). CRISIL Research is not in any manner related to us, our Directors or our Promoter. The CRISIL Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CRISIL Report, neither our Company nor the Lead Managers nor any of our or their respective affiliates or advisors or any other person connected with the Issue has independently verified data and statistics obtained from the CRISIL Report. While we have no reason to believe the data and statistics in the CRISIL Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which

such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document.

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

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

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

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

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

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

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

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. For further details on our insurance coverage, see "*Our Business – Insurance*" on page 105. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our

available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

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

As of September 30, 2021, we employed 1,952 personnel across our operations. Although we have not experienced any material employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

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

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

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

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

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

EXTERNAL RISK FACTORS

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

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

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

We operate in a highly competitive industry in India and we compete with banks, other HFCs, small finance banks and NBFCs in each of the geographies in which we operate. Our competitors may have more resources, a wider branch and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Relating to India

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

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

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

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially and adversely affect our business because the commercial

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

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

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

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

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

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

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

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

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

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

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

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

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

directly involving the Government of India);

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

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

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

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

Risks relating to the Issue and Secured NCDs.

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

The Secured NCDs proposed to be issued pursuant to this Issue have been rated CRISIL AA/Stable by CRISIL Ratings Limited for an amount of up to ₹ 50,000 million by way of its letter bearing reference number RL/IDIFHF/272813/NCD/0621/11224/945735509 and dated June 11, 2021, and revalidated *vide* letter dated November 25, 2021 and BWR AA+/ Negative (Assigned) by Brickwork Ratings India Private Limited for an amount of up to ₹ 50,000 million by way of its letter bearing reference number BWR/NCD/MUM/CRC/RAM/0089/2021-22 and dated June 11, 2021 and revalidated *vide* letter dated November 26, 2021. Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our Secured NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

58. The Secured NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Secured NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose the holders to a potential loss.

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

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

Sale of Secured NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Tax Benefits*" on page 308.

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

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

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

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

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

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

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

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

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

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

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

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

Risks relating to the Issue and Secured NCDs.

1. The Secured NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Secured NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the Secured NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, *inter alia*, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Secured NCDs and/or the interest accrued thereon in a timely manner or at all. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs. The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security and the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

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

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the Secured NCDs.

3. There may be no active market for the Secured NCDs on the platform of the Stock Exchanges. As a result, the liquidity

and market prices of the Secured NCDs may fail to develop and may accordingly be adversely affected.

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

4. There may be a delay in making refund to Applicants.

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

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

In the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the Secured NCDs only after all of those liabilities that rank senior to these Secured NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs.

6. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, our various financing activities including lending, for repayment of interest and principal of existing borrowing of the company, subject to applicable statutory and/or regulatory requirements. For further details, see "*Issue Related Information*" on page 336. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

7. This Tranche II Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.

This Tranche II Prospectus includes unaudited financial information in relation to our Company for the half year and six months ended September 30, 2021 in respect of which the Auditors have issued their Limited Review Report dated October 21, 2021. As Limited Review Financial Results prepared by our Company in accordance with Regulation 52(2) of the SEBI LODR Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Limited Review Financial Information for the quarterly financial information (with effect from September 7 2021) should, accordingly, be limited. Additionally, in accordance with applicable law, our Company is required to publish its half yearly financial information with the stock exchanges.

Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Tranche II Prospectus.

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

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

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

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

CAPITAL STRUCTURE

1. **Details of share capital**

The following table lays down the details of our authorised, issued, subscribed and paid up share capital as on September 30, 2021:

(in ₹)

Share Capital	Aggregate value (except for securities premium)
Authorised Share Capital	
152,000,000 Equity Shares of face value ₹ 10 each	1,520,000,000
20,000,000 Preference Shares of face value ₹ 10 each	200,000,000
Total Authorised Share Capital	**1,720,000,000**
Issued, Subscribed and Paid-Up Share Capital	
20,968,181 Equity Shares of face value ₹ 10 each	209,681,810
TOTAL	**209,681,810**
Securities Premium Account	**7,991,567,740**

2. **Details of change in the authorised share capital of our Company, as on September 30, 2021, for the last three years is set out below:**

There are no changes in the authorised share capital of our Company for three years prior to September 30, 2021.

3. **Equity Share capital history of our Company for the last three years as on September 30, 2021 is set out below:**

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Equity Share capital (₹)	Date of allotment
November 30, 2018	1,000,000	10.00	1,000.00	Cash	Rights issue[(1)]	20,968,181	209,681,810	799,25,67,740

[(1)]Allotment of 1,000,000 Equity Shares to India Infoline Finance Limited (now merged with IIFL Finance Limited)

4. **List of top ten holders of Equity Shares of our Company as on September 30, 2021 are as follows:**

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Finance Limited	20,967,581	20,967,581	100	-
2.	Govind Modani*	100	-	- ^	-
3.	Narendra Jain*	100	-	- ^	-
4.	Rajesh Rajak*	100	-	- ^	-
5.	Amit Kumar Gupta*	100	-	- ^	
6.	Monu Ratra*	100	-	- ^	-
7.	Sneha Patwardhan*	100	-	- ^	-
8.	**Total**	**20,968,181**	**20,967,581**	**100**	-

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

^ Less than 0.01% shareholding.

5. **List of top ten debentures holders of our Company (on cumulative basis) as on September 30, 2021, are as follows:**

Sr. No.	Name of Holder*	Amount *(₹ in million)*	NCD holding as a % of total NCD
1	Life Insurance Corporation Of India	6,000.00	23.97%
2	Indian Oil Corporation Ltd Employees Provident Fund	1,280.00	5.11%
3	ICICI Prudential Mutual Fund	1,000.00	3.99%
4	State Bank Of India	1,000.00	3.99%
5	IOCL Employees Prmb Fund	790	3.16%
6	HDFC Mutual Fund	580	2.32%
7	HDFC Bank Ltd	562.5	2.25%

Sr. No.	Name of Holder*	Amount *(₹ in million)*	NCD holding as a % of total NCD
8	HDFC Life Insurance Company Limited	500	1.997%
9	Food Corporation Of India Cpf Trust	500	1.997%
10	Bochasanwasi Shriaksharpurushottam Swaminarayan Sanstha	400	1.60%

6. **Shareholding pattern of our Company**

The following table sets forth the shareholding pattern of our Company as on September 30, 2021:

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	7	20,968,181	0	0	20,968,181	100	20,968,181	0	20,968,181	100	0	100	0	0	0	0	**20,967,581**
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	Non Promoter - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	**7**	**20,968,181**	**0**	**0**	**20,968,181**	**100**	**20,968,181**	**0**	**20,968,181**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**20,967,581**

Note: No shares are pledged or encumbered by the Promoter. Further 6 shareholders holders are holding 100 Equity Shares each as a nominee of our Promoter

Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Indian**																	
(a)	**Individuals / Hindu Undivided Family**																	

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Govind Modani*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	Negligible	0	0	0	0	0
	Narendra Jain*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	Negligible	0	0	0	0	0
	Rajesh Rajak*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	Negligible	0	0	0	0	0
	Amit Kumar Gupta*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	Negligible	0	0	0	0	0
	Monu Ratra*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	Negligible	0	0	0	0	0
	Sneha Patwardhan*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	Negligible	0	0	0	0	0
(b)	**Central Government / State Government(s)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	**Financial Institutions / Banks**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	**Any Other (Specify)**																	
	IIFL Finance Limited	1	20,967,581	0	0	20,967,581	100	20,967,581	0	20,967,581	100	0	100	0	0	0	0	20,967,581
	Sub Total (A)(1)	**7**	**20,968,181**	**0**	**0**	**20,968,181**	**100**	**20,968,181**	**0**	**20,968,181**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**20,967,581**
2	**Foreign**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	**Individuals (Non-Resident Individuals / Foreign Individuals)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	**Government**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	**Institutions**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	**Foreign Portfolio Investor**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	**Any Other (Specify)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	**7**	**20,968,181**	**0**	**0**	**20,968,181**	**100**	**20,968,181**	**0**	**20,968,181**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**20,967,581**

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = IV)+(V)+ (VI	VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Institutions																	
(a)	Mutual Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Non-Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	IEPF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hindu Undivided Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Foreign Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Non Resident Indians (Non	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = IV)+(V)+ (VI	VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Repat)																	
	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	LLP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Office Bearers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Foreign Portfolio Investor (Individual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Clearing Member	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bodies Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Custodian/DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b)	**Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

7. **Debt - Equity ratio**

Debt to Equity Ratio of our Company as on September 30, 2021:

(₹ in million)

Particulars	Pre- Issue	Post- Issue*
Debt		
Debt Securities & Subordinated Liabilities	25,035.18	35,035.18
Borrowings (Other than Debt Securities)	105,604.36	105,604.36
Total Debt (A)	130,639.55	140,639.55
Equity		
Equity and Share Capital	209.68	209.68
Other Equity	24,108.38	24108.38
Non-Controlling Interest	-	-
Total Equity (B)	24,318.07	24318.07
Debt / Equity (A/ B)	5.37	5.78

* *The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 10,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

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

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

9. **The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group and by the directors of the company which is a promoter of the issuer company and by the directors of the issuer company and their relatives within six months preceding the date of filing the Tranche II Prospectus with RoC:**

Except for the details as set out in the table below, no securities of our Company and our Subsidiary have been purchased or sold by our promoter, promoter group, our directors and/or their relatives within six months immediately preceding the date of filing of this Tranche II Prospectus.

(a) Equity Shares/ Non- Convertible Debentures of our Company, sold/purchased by our Promoter and Promoter Group

Equity Shares:

No.	Name of the Person	Date of Purchase/Transfer	Whether purchase/transfer	Number of Equity Shares
Nil				

Non- Convertible Debentures:

Sr. No.	Name of the Director	Date of transaction	Nature of NCD	Face Value (In ₹)	Number of NCDs Purchased	Number of NCDs Sold
Nil						

(b) Equity Shares /Non-Convertible Debentures of our Company sold/purchased by our Directors & their Relatives

Equity Shares:

Sr. No.	Name of the Person	Date of Purchase/Transfer	Whether purchase/transfer	Number of Equity Shares
Nil				

Non- Convertible Debentures:

Sr. No.	Name of the Director	Date of transaction	Nature of NCD	Face Value (In ₹)	Number of NCDs Purchased	Number of NCDs Sold
1	Kranti Sinha	August 5, 2021	Unsecured NCDs	1000	2000	Nil

(c) Equity Shares/Non-Convertible Debentures of our Company, sold/purchased by our group companies

Equity Shares:

No.	Name of the Person	Date of Purchase/Transfer	Whether purchase/transfer	Number of Equity Shares
Nil				

Non- Convertible Debentures:

Sr. No.	Name of group company	Date of transaction	Nature of NCDs	Face Value (in ₹)	Number of NCDs purchased	Number of NCDs sold
1	IIFL Management Services Limited	October 5, 2021	Secured Redeemable NCD	10,00,000	40	-
2	IIFL Wealth Prime Limited	April 22, 2021	Secured Redeemable NCD	10,00,000	91	
3	IIFL Wealth Prime Limited	April 26, 2021	Secured Redeemable NCD	10,00,000	-	91
4	IIFL Wealth Prime Limited	June 15, 2021	Unsecured Redeemable NCD	10,00,000	-	27
5	IIFL Wealth Prime Limited	June 17, 2021	Unsecured Redeemable NCD	10,00,000	-	28
6	IIFL Wealth Prime Limited	June 18, 2021	Unsecured Redeemable NCD	10,00,000	-	28
7	IIFL Wealth Prime Limited	July 16, 2021	Unsecured Redeemable NCD	10,00,000	-	8
8	IIFL Wealth Prime Limited	July 20, 2021	Unsecured Redeemable NCD	10,00,000	-	6
9	IIFL Wealth Prime Limited	August 9, 2021	Secured Redeemable NCD	10,00,000	-	16
10	IIFL Wealth Prime Limited	September 30, 2021	Unsecured Redeemable NCD	10,00,000	-	5
11	IIFL Wealth Prime Limited	October 12, 2021	Unsecured Redeemable NCD	10,00,000	-	22
12	IIFL Wealth Prime Limited	October 21, 2021	Unsecured Redeemable NCD	10,00,000	-	16
13	IIFL Wealth Prime Limited	October 21, 2021	Secured Redeemable NCD	10,00,000	-	32
14	IIFL Wealth Prime Limited	October 21, 2021	Secured Redeemable NCD	10,00,000	-	30

(d) Non-Convertible Debentures of Subsidiary, sold/purchased by our group companies.

NIL

(e) Equity shares of subsidiary, sold/purchased by our group companies.

NIL

(f) Non-Convertible Debentures of our Subsidiary sold/purchased by our group companies.

NIL

(g) Non-Convertible Debentures of our Subsidiary sold/purchased by our Promoter and/or directors and/or their

relatives

NIL

10. For details on the total outstanding debt of our Company, please refer to *"Financial Indebtedness"* on page 131.

11. **Details of any acquisition or amalgamation in the last one year prior to the date of this Tranche II Prospectus.**

    Not Applicable

12. **Details of any reorganization or reconstruction in the last one year prior to the date of this Tranche II Prospectus.**

    Not Applicable

13. **Details of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

    Our Company has not issued any Equity Shares for consideration other than cash in the three years prior to the quarter ended September 30, 2021.

14. None of the Equity Shares held by our Promoters are pledged or encumbered otherwise.

15. As on September 30, 2021, 20,967,581 Equity Shares of our Company are in dematerialised form and 600 Equity Shares are currently in physical format.

16. **Details of Employee Stock option Scheme.**

    As on the date of this Tranche II Prospectus, our Company does not have an employee stock option scheme.

INDUSTRY OVERVIEW

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

Overview of Global Economy

The global economic recovery continues amid a resurging pandemic that poses unique policy challenges. Vaccinations have proven effective at mitigating the adverse health impacts of COVID-19. However, unequal access to vaccines, vaccine hesitancy, and higher infectiousness have left many people still susceptible, providing fuel to the pandemic. The marked spread of the Delta variant and the threat of new variants that could undermine vaccine effectiveness make the future path of the pandemic highly uncertain. This has implications for the resilience of a recovery already in uncharted territory—characterized by pandemic-induced supply-demand mismatches that could worsen with a more protracted health crisis.

Gaps in expected recoveries across economy groups have widened since the July forecast, for instance between advanced economies and low-income developing countries. As recoveries proceed, the risks of derailments and persistent scarring in heavily impacted economies remain so long as the pandemic continues.

Meanwhile, inflation has increased markedly in the United States and some emerging market economies. As restrictions are relaxed, demand has accelerated, but supply has been slower to respond. Commodity prices have also risen significantly from their low levels of last year. Although price pressures are expected to subside in most countries in 2022, inflation prospects are highly uncertain. These increases in inflation are occurring even as employment is below pre-pandemic levels in many economies, forcing difficult choices on policymakers—particularly in some emerging market and developing economies.

GDP growth in the first half of 2021 was broadly in line with expectations. Outturns for first quarter global GDP were stronger than anticipated, reflecting continued adaptation of economic activity to the pandemic and associated restrictions as well as ongoing policy support in many countries. Momentum, however, weakened in the second quarter, weighed down by increasing infections in many emerging market and developing economies and by supply disruptions. Expenditure decompositions are consistent with input shortages contributing to weak investment in the second quarter. Recent high-frequency data are mixed. They suggest that the recovery continues, but with some softening in the third quarter, even while broadening across sectors. Services production is expanding, albeit prone to setbacks.

The global growth outlook is revised down for 2021 and is unchanged for 2022. The global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022. The 2021 forecast is revised down 0.1 percentage point relative to the July World Economic Outlook (WEO) Update, reflecting forecast downgrades to the advanced economy and low-income developing countries groups

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

Overview of Indian Economy

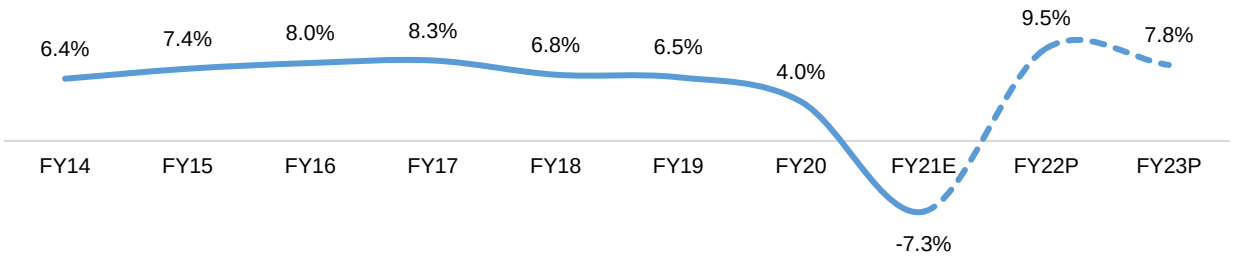
India's GDP contracted 7.3% (in real terms) in the previous fiscal, after having grown 4.0% in fiscal 2020. At Rs 135.1 lakh crore in fiscal 2021, Indian GDP in absolute terms went below even the fiscal 2019 level of Rs 140.0 lakh crore.

While there was growth in agriculture (3.6%) and utilities (1.9%), trade, hotels, transport, communication, and services related to the broadcasting sector declined the most (-18.2%), followed by construction (-8.6%), mining (-8.5%) and manufacturing (-7.2%). Government final consumption expenditure (GFCE) grew 2.9% in fiscal 2021, limiting the overall decline in GDP growth. Fresh investments or gross fixed capital formation (GFCF), on the other hand, declined by a massive 10.8%, followed by a 9.1% decline in private final consumption expenditure.

As per the data released by the National Statistical Office, India's first quarter fiscal 2022, or Q1 fiscal 22 real gross domestic product (GDP) growth is pegged at 20.1% on-year. But sequentially, it contracted by a sharp 16.9%.

The high on-year growth number for Q1 fiscal 2022 does not provide any meaningful inference as it is distorted by a very strong base effect – the economy had tanked 24.4% in Q1 fiscal 2021 with the pandemic's onset. In such a situation, sequential and seasonally adjusted growth numbers provide a better gauge of performance. Sequential (i.e., on-quarter) growth tells us how India weathered the second Covid-19 wave. So, while real GDP de-grew 16.9% sequentially in Q1, it contracted by a lower 6.3% in seasonally adjusted terms. The data thus confirms that the second wave did not impact the economy as much as the first, mainly due to calibrated lockdowns.

Real GDP % y-o-y change



Note: E - Provisional estimates, P - Projected

Source: National Statistical Office (NSO), CRISIL Research

Consequently, CRISIL estimates GDP growth for India at 9.5% for the current fiscal. This is based on the evident hit to the two engines of growth – private consumption and investment – by the second wave.

The pace of recovery will also be a function of the pace of vaccination in the coming months. Countries with over 40% of their population vaccinated are seeing a faster and more broad-based economic recovery. The government plans to vaccinate India's entire adult population (68% of total population) by this December.

Risks to the GDP outlook

- **A third wave this fiscal:** This could bring further disruption to mobility and economic recovery
- **Elevated inflation:** Significant cost-push pressures owing to surging international commodity prices and supply disruptions have raised cost of production for manufacturing firms. Pass-through to consumer prices could pose as a headwind to recovery in demand
- **Premature tightening of global monetary policies**: Resurgence of inflation globally could lead major central banks to unwind their extraordinary easy monetary policies sooner than expected. This could hit sentiment, possibly leading to capital outflows from the Indian economy and some tightening in domestic financial conditions

Macroeconomic outlook

Macro variable	FY20	FY21E	FY22P	Rationale for outlook
Real GDP (%, y-o-y)	4.2	-7.3	9.5%	Continuous improvement in most high-frequency indicators since June suggests that the economy is clearly moving past the impact of the second wave. With the pace of vaccination gathering pace, the performance of contact-based services, which have been hit the hardest, is expected to gradually pick up. That said, the expected pick-up in economic activity post vaccination and support from global growth would act as positives
Consumer price index-linked (CPI) inflation (%, y-o-y)	4.8	6.2	5.5	Headline CPI inflation has followed the sharp decline in food inflation over the past three months. A high base, coupled with a sequential decline in volatile items like vegetables, has driven the easing in food inflation. Pressure is likely to persist on non-food inflation, as global commodity prices remain elevated, supply disruptions continue, and producers pass on cost pressures to consumers amidst improving demand.
10-year government	6.2	6.2	6.5	The Reserve Bank India's (RBI) unconventional policy measures have been instrumental in keeping government security (G-sec) yields at decadal lows at a time when the bond market

Macro variable	FY20	FY21E	FY22P	Rationale for outlook
security (G-sec) yield (%, March-end)				is facing an unprecedented rise in government borrowing. Supply pressures could have a bearing on yields once the RBI starts normalising liquidity. Adverse global developments such as premature withdrawal of monetary easing by the United States (US) Federal Reserve could further add pressure
Current account balance/ GDP (%)	-0.9	0.9	-1.2	The trajectory of Covid-19 infections, pace of the vaccination drive and duration of state lockdowns will have an important bearing on domestic demand and, consequently, import growth. Increased prices of commodities, especially crude oil – India's largest import item – will drive imports. External demand will support exports, backed by strong economic recovery among India's major trading partners in the US, Europe and Asia
Rs/$. (March average)	74.4	72.8	75	With the second wave adversely impacting India's economic recovery amid inflationary pressures, the rupee may weaken against the dollar. The current account balance turning into deficit (from a surplus in the previous fiscal), will exert further downside pressure on the rupee. Some support may be seen due to the RBI's interventions to mitigate volatility. Record high forex reserves, and foreign investor inflows owing to interest rate differential between India and global economies, will also prop up the rupee

Note: P - Projected

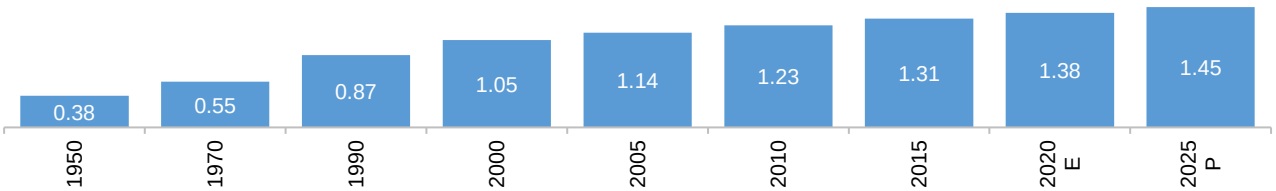
Source: RBI, NSO, CRISIL Research

Indigenous advantages to result in stronger economic growth rate in the longer term

India has the second-largest population in the world

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

India's population growth trajectory (billion)

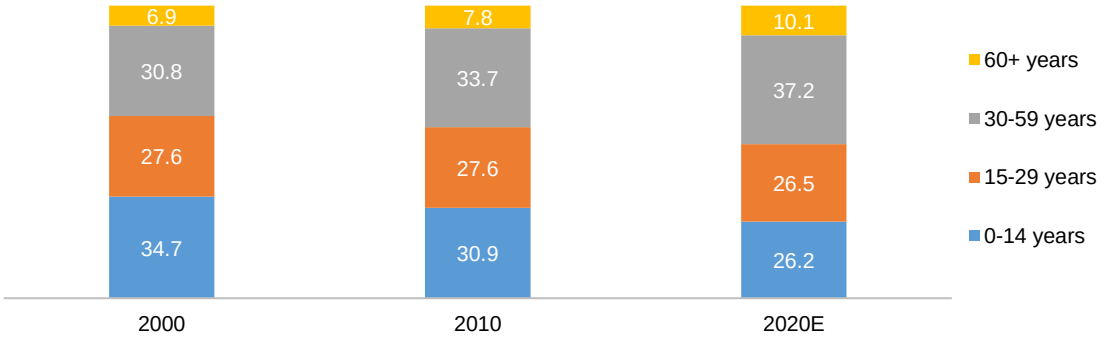


Source: United Nations Department of Economic and Social affairs, CRISIL Research

Favourable demographics

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

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



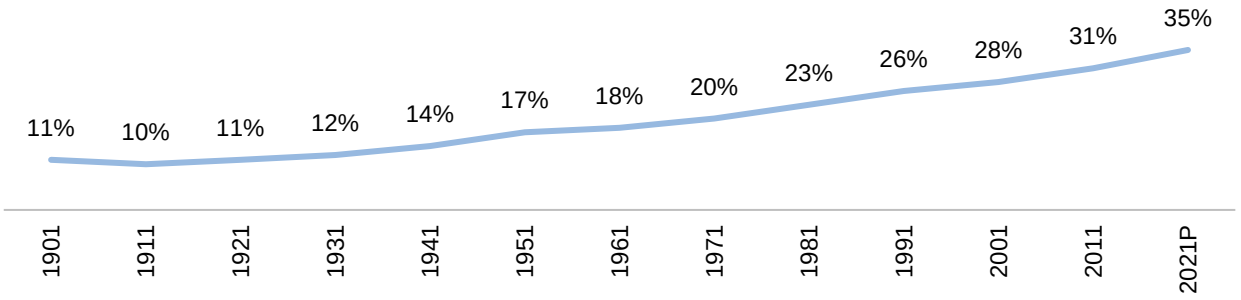
Source: United Nations Department of Economic and Social affairs, CRISIL Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over years and is expected to reach 35% by 2021 from 31% in 2011, spurring more demand.

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

Urbanisation in India

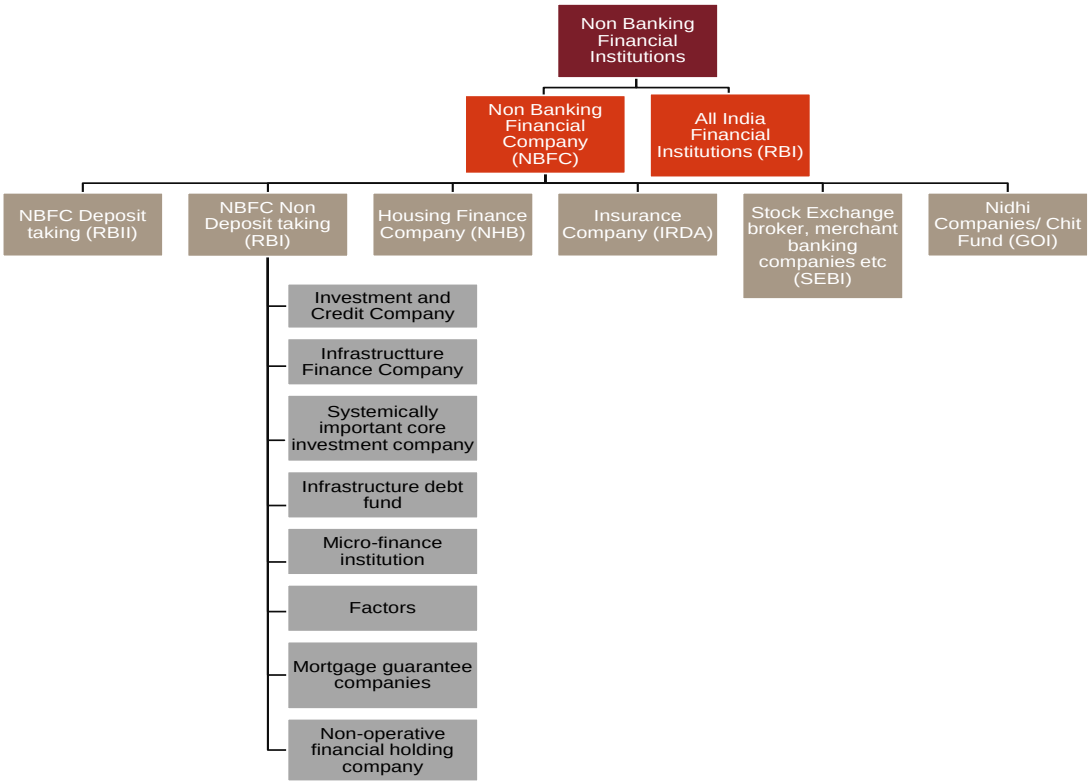


Source: United Nations Department of Economic and Social affairs, IMF

Overview of NBFC Sector

Structure of non-banking financial institutions in India

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



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions

include NABARD, SIDBI, EXIM Bank
Source: RBI, CRISIL Research

NBFCs are an important part of the credit system

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

NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion. As of March 2021, they accounted for ~23% of the overall systemic credit.

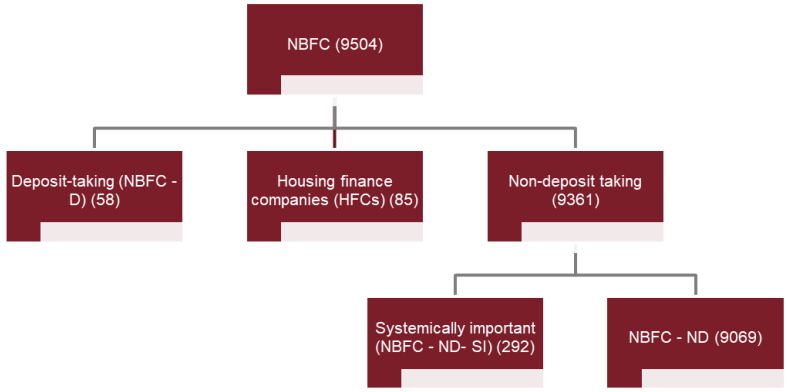
Classification of NBFCs

NBFCs until now have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance. RBI on October 22, 2021 introduced additional classification of NBFCs vide Scale Based Regulation (SBR) framework into four categories i.e., Base Layer (NBFC – BL), Middle Layer (NBFC – ML), Upper Layer (NBFC – UL) and Top Layer (NBFC – TL)

Liabilities-based classification

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

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



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

Activity-based classification

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

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

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

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

    a) Holds not less than 90% of its total assets in the form of investments in equity shares, preference shares, debt or loans in group companies.
    b) Investments in equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies that constitute not less than 60% of its total assets.
    c) Does not trade in its investments in shares, debt or loans in group companies except through block sales for dilution or disinvestment
    d) Does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI Act, 1934, except investments in bank deposits, money-market instruments, G-secs, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
    e) Asset size is Rs 500 crore or above.
    f) Accepts public funds.

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

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

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

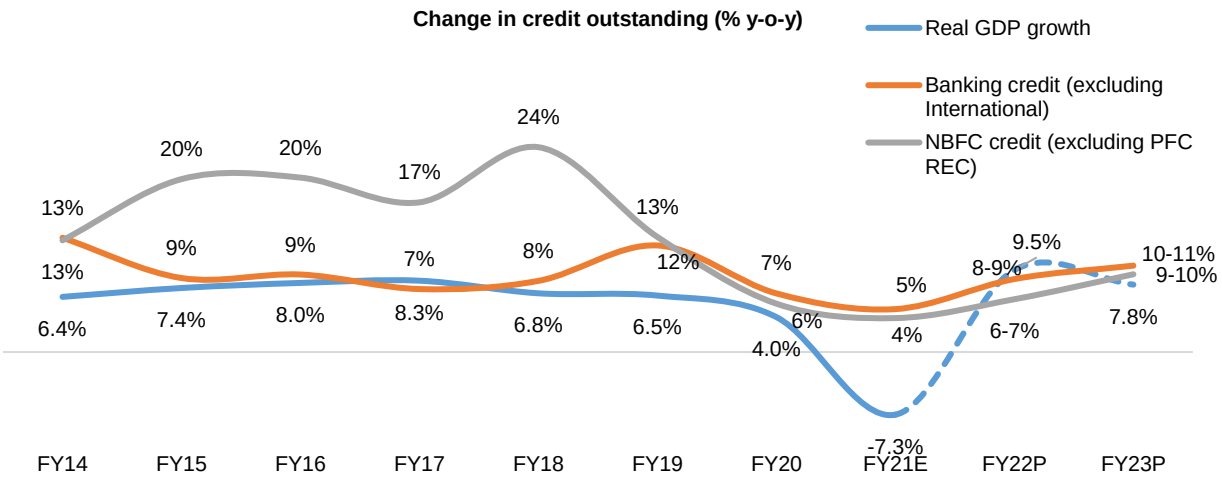
6. Factors (NBFC-Factors): An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross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

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

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

NBFC segment to grow at 6-7% in fiscal 2022, with revival in the economy

Despite second wave, growth looking up for NBFCs



Source: RBI, National Housing Bank, Ministry of Finance, Company reports, CRISIL Research

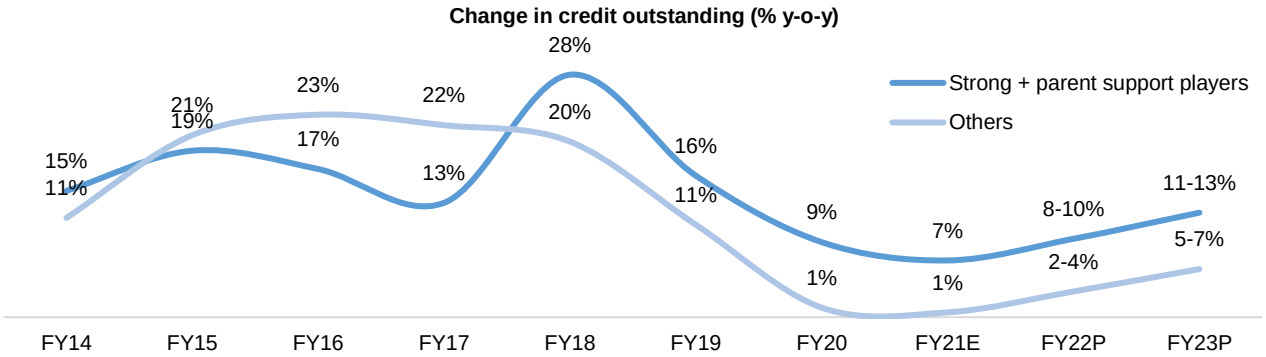
According to the provisional estimates released by the National Statistical Office, India's GDP contracted 7.3% (in real terms) in the previous fiscal, after having grown 4.0% in fiscal 2020.

NBFC segment which stood at Rs 23.75 trillion in fiscal 2021 (excluding PFC and REC) is expected to grow at 6-7% in fiscal 2022. This is mainly led by growth in retail segments like Housing, Auto, Gold which have performed well even in previous fiscal. After surpassing pre-Covid level disbursements in Q4 of fiscal 2021, disbursements declined by 50% in Q1 of fiscal 2022, across asset classes due to Covid-19 second wave. However, the government was able to restrict the impact to first quarter alone with effective state-wide lockdowns and increased vaccination efforts. Players have been mentioning about pick-up in the disbursements after July 2021.

Lower interest rates, improving vaccination progress, rapid revival in the economy is expected to drive the consumer demand in rest of the quarters leading to a healthy growth of the NBFCs this fiscal. Fiscal 2023 is expected to fare better at 9-10% growth with support from wholesale segment as well.

NBFCs logged a healthy CAGR of 14% over fiscals 2016 to 2020. However, their book grew at a slower rate of 6% during fiscal 2020 mainly due to the liquidity and funding shortages that started after the IL&FS default in mid of fiscal 2019 and continued during fiscal 2020. With the outbreak of Covid-19, the growth in the loan book slowed down to 4% in fiscal 2021. While first quarter of fiscal 2021, witnessed almost negligible disbursements

Strong players have been outperforming smaller NBFCs after NBFC crisis in fiscal 2019



Note: Strong players here indicate 11 players with large market share and have strong parental support

Source: RBI, National Housing Bank, Ministry of Finance, Company reports, CRISIL Research

Prior to fiscal 2018, smaller NBFCs were aggressively expanding both in terms of market penetration and lending across asset classes, which led to rising asset quality concerns. After the NBFC crisis in fiscal 2019, smaller NBFCs slowed down

their lending activity and focused on improving their asset quality and shifting to retail segments which are less risky.

Meanwhile, larger NBFCs with strong parental support which have stronger balance sheets, healthy liquidity started growing at a higher pace. In fiscal 2021, despite Covid-19, larger NBFCs have been able to grow at 7%, while growth at other NBFCs remained muted. These players are expected to outperform others, growing at 8-10% and 11-13% in fiscals 2022 and 2023 respectively.

The strong players held a market share of 50% in fiscal 2014, which declined to 48% in fiscal 2018 and currently hold 52% in fiscal 2021. With faster growth, they are expected to gain at least 300 bps market share by fiscal 2023.

During fiscal 2021 and fiscal 2022, they created excess provisions which ensured that they are better placed on the liquidity front today than they were a year ago, enabling them to service their near-term obligations without much difficulty despite a fall in collections because of the second wave.

Housing Finance

Overview

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

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

Economic revival in fiscal 2022 to spur credit growth

Housing loans at non-banking finance companies (NBFCs), including housing finance companies (HFCs), stood at Rs 7,630 billion as of fiscal 2021, 7% higher on-year.

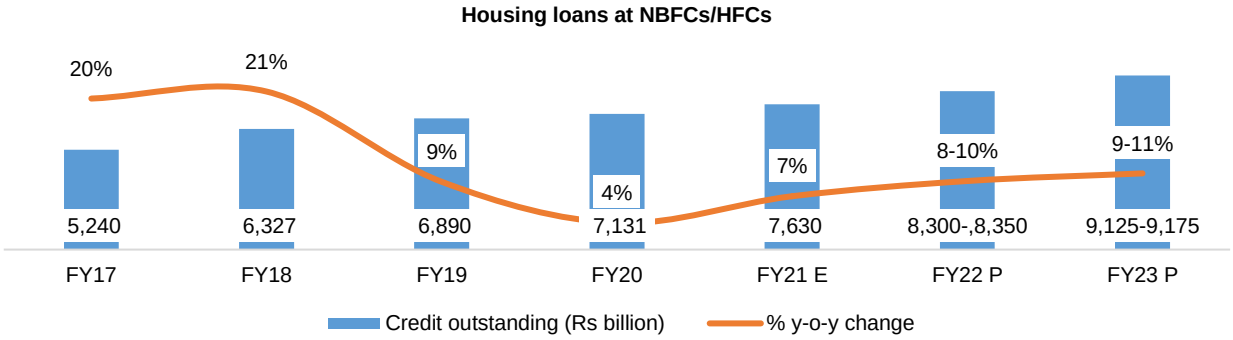
While double-digit growth looked probable this fiscal, the second Covid-19 wave impacted disbursements in the first quarter. NBFCs reported first-quarter disbursements declined 40-60% compared with the fourth quarter of the previous fiscal. However, with the income levels of salaried customers largely intact and home loan rates remaining low, disbursements rebounded after June 2021. With visible recovery across most sectors, disbursements are expected to increase further in the rest of the fiscal since:

On the supply side, lenders have been intensifying their focus on the retail housing segment, which showed resilience in fiscal 2021 despite the decline in gross domestic product (GDP) to historic lows

On the demand side, salaries of white-collared borrowers remained largely unaffected, unlike in the previous fiscal. In addition, employees working from home have accelerated their decision to own a house or purchase a larger unit because of improved affordability

CRISIL forecasts NBFC housing credit growth at 8-10% this fiscal. With the economy improving further, credit is expected to grow 9-11% in fiscal 2023. However, stringent lockdowns in the event of a resurgence in the pandemic, pace of vaccination and any regulatory change that impacts demand remain monitorables.

Housing loans credit growth slowed in fiscal 2021, to rebound this fiscal



E: Estimated; P: Projected

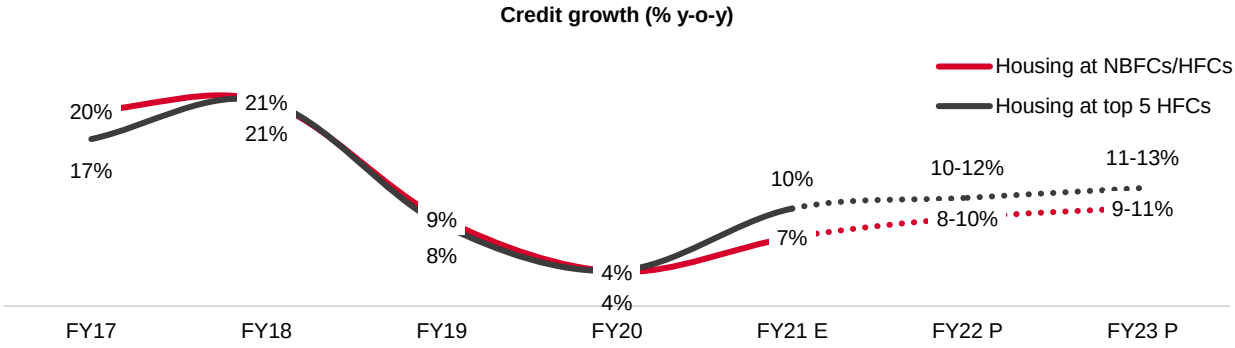
Source: Company reports, RBI, CRISIL Research

Home loans outstanding at NBFCs grew at a healthy 15% compound annual growth rate (CAGR) from fiscals 2015-20. It was led by increasing demand from tier-II and -III cities, rising disposable incomes, and government steps such as Pradhan Mantri Awas Yojana (PMAY), interest rate subvention schemes, and fiscal incentives.
The pandemic and subsequent nationwide and local lockdowns took a toll on the economy in the early part of the fiscal 2021. Incomes were impacted, especially for low income group (LIG) and middle income group (MIG) customers. With reduced disbursements in the first half, growth of housing loans outstanding of HFCs/NBFCs was low at 2% on-year as on September 2020 vs March 2020.
However, there was a faster-than-envisaged revival in the third and fourth quarters, with the Reserve Bank of India (RBI), the Centre and state governments providing impetus. Real estate developers offered discounts and/or freebies and a few states such as Maharashtra and Karnataka cut stamp duty on real estate. Home loan interest rates were also slashed to historic lows of 6.75% (starting rate). Disbursements even reached more than 120% of normalcy levels (fiscal 2020 quarterly average) in the fourth quarter of fiscal 2021 for a few players. Therefore, NBFCs were able to clock decent 7% growth in fiscal 2021, despite gloomy indicators at the beginning of the fiscal.

Within NBFCs, key players continue to gain market share

Before fiscal 2018, much of the growth was led by aggressive expansion of smaller HFCs that were aiming to gain affordable and/or tier 2 and 3 markets. This resulted in rising gross non-performing assets (GNPAs) and after the IL&FS crisis, the growth of such companies slowed down.

In fiscal 2021, key companies, namely HDFC Ltd, LIC Housing, Indiabulls Housing, PNB housing, and Can Fin Homes grew at 10%, and the NBFC segment grew 7%. Strong liquidity, parent support, and lower interest rates (at par with leading banks) at these NBFCs led this higher growth in fiscal 2021. CRISIL expects this trend to continue in fiscals 2022-23 with key players growing at least 200 basis points (bps) higher than overall NBFC credit growth.
Credit of top five players to outpace segment by 200 bps



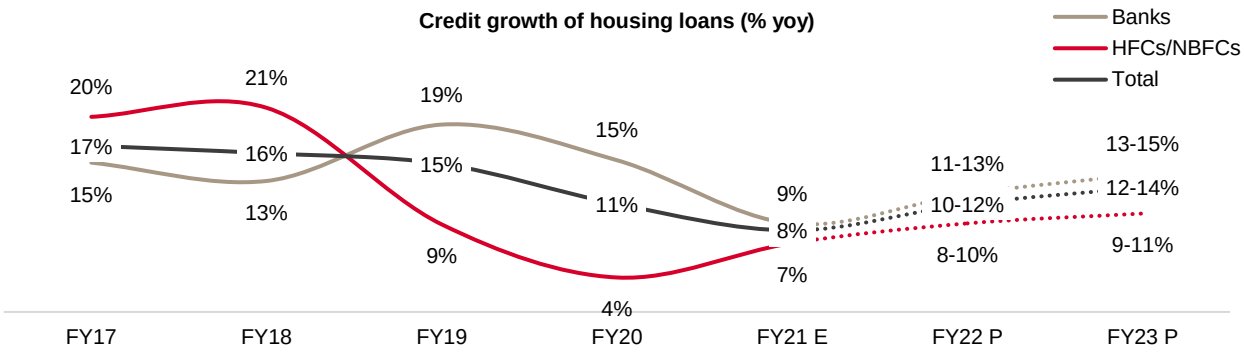
E: Estimated; P: Projected

Note: Top 5 HFCs include HDFC Ltd, LIC Housing, Indiabulls housing, PNB Housing, Can Fin Homes

Source: Company reports, RBI, CRISIL Research

NBFCs to continue losing market share to banks

The total housing loans market in India is estimated at Rs 22,220 as of fiscal 2021. Over fiscals 2015-18, the market share of NBFC in total home loans increased from 36% to 39%. NBFCs focused on aggressive expansion during this period and grew at a superior 21% CAGR, while banks grew at 16%. However, starting fiscal 2019, the trend reversed, with banks growing faster than HFCs owing to the NBFC crisis and liquidity concerns faced by NBFCs. As a result, the NBFC share started declining, and it currently stands at 34% in fiscal 2021. While the large NBFCs are expected to grow at a healthy pace in next 2 fiscals, affordable housing players are expected to slow down due to liquidity and asset quality concerns.
Share of banks in housing loans to improve further in fiscal 2022

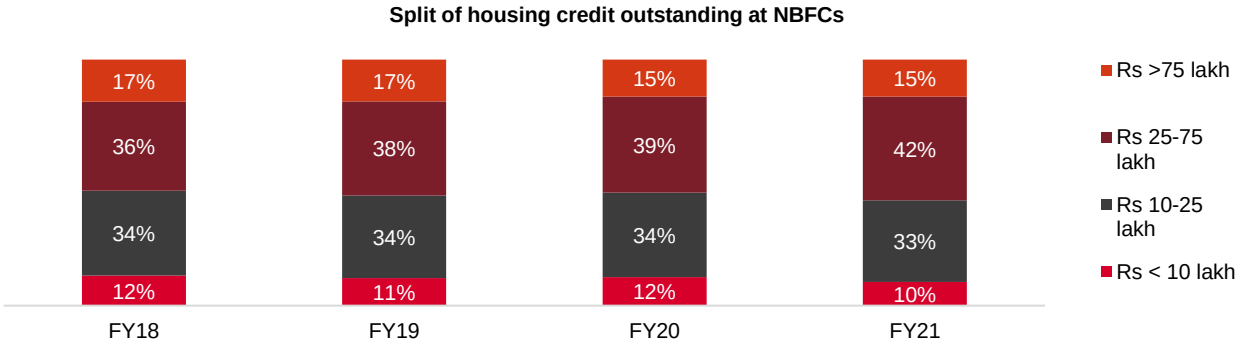


E: Estimated; P: Projected
Source: Company reports, RBI, CRISIL Research

Meanwhile, banks have intensified their focus on the traditional home loan space, owing to subdued demand and asset quality pressures in the corporate/real estate sector. Banks' credit outstanding of housing loans grew at 14% CAGR from fiscals 2018-21. With a strong deposit base, market presence in tier-2 and 3 areas, and the ability to offer home loans starting at 6.9%, banks grew by 9% in fiscal 2021 despite the pandemic. This advantage is expected to continue in fiscals 2022 and 2023, leading to banks gaining further market share in housing.

Mid-ticket gaining share over the years within NBFCs

Rs 25-75 lakh segment's share increased from 36% in fiscal 2018 to 42% in fiscal 2021



Source: Credit Bureau, CRISIL Research

Within the NBFC housing segment, the mid-ticket segment, i.e., Rs 25-75 lakh, gained 600 bps share from fiscals 2018-21 due to increased income levels of customers and improved affordability. In addition, this segment fared well in fiscal 2021, despite Covid-19, since it is dominated by salaried customers. CRISIL expects this trend to continue in the coming years as well. While the overall NBFC segment is expected to grow at 8-10% this fiscal, the mid-ticket segment is likely to grow by 10-12%.

Securitisation

Securitisation deals gained traction in June 2021 after a subdued April and May, boosting the volume for the first quarter of this fiscal by nearly three times on-year to Rs 20,000 crore. However, this was still only half of the pre-pandemic average. Volumes in the first quarter of the last fiscal were muted due to a sharp impact on collections because of moratorium and the stringent lockdown across India.

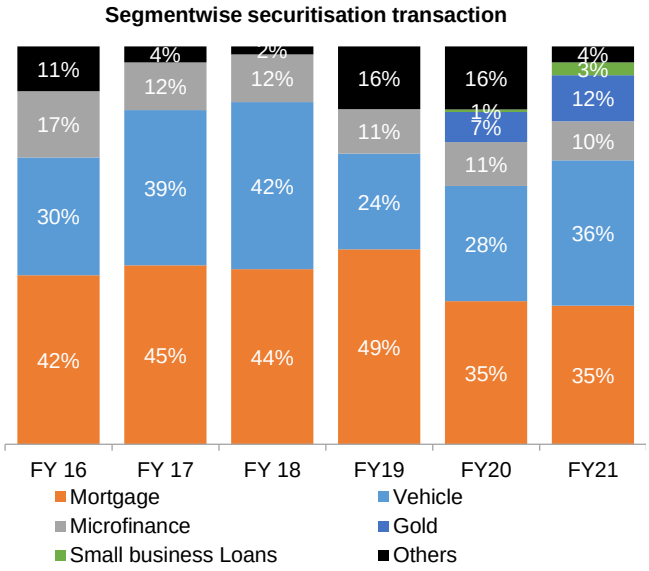
Interest in securitisation transactions was rekindled in June 2021 as the Covid-19 caseload reduced. Several transactions under discussions moved ahead and were consummated. Investors such as foreign banks, private banks, public sector banks, and mutual funds continued to mark their presence through cherry-picking of investments in securitised assets through either pass-through certificates (PTCs) or direct assignments (DAs).

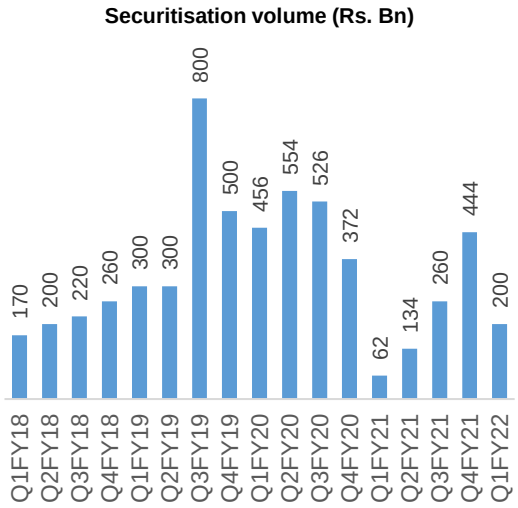
While CV loans remained the main draw in asset-backed securitisation (ABS), transactions backed by gold and business loans also found favour. Cumulatively, ABS transactions comprised 47% of securitisation volume. On the other hand,

mortgage-backed securitisation (MBS), accounting for 53% of volume, saw interest across private and public sector banks. Interestingly, in some transactions, HFCs invested in the assets of other HFCs.

A continuation of the traction in securitisations in the foreseeable future will be contingent on the steps taken to contain the pandemic, withdrawal of containment measures, and a pickup in business activity. Another factor impacting the securitisation volume will be the severity of asset-quality issues cropping up in issuer portfolios across asset classes.

June logs 60% of the volumes in the first quarter as Covid-19 caseloads reduce





Source: CRISIL Ratings

April and May, this fiscal, had seen a sequential decline in collection efficiency of securitised pools due to a spike in Covid-19 caseloads and the state-specific lockdowns that followed. Though a number of deals across originators and asset classes were under negotiation, dampened investor enthusiasm meant that most deals did not consummate. Many NBFCs also scaled down disbursements and downsized fresh business plans. Moreover, physical cash-based collection activity suffered, resulting in lower collection ratios, diminishing interest further.

Digitization

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

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

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

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

past transaction info) to gauge customer profile and offer products to under-served population or customers with minimal credit profile

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

Co-lending by Banks and NBFCs

Co-lending arrangement between Bank and NBFC is to extend credit by joint contribution of funds at the facility level by both the lenders and sharing of risks and rewards. The revised Co-lending Model (CLM) put in place by RBI vide notification RBI/2020-21/63 dated 05 November 2020, with intension to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs.

Under co-lending model banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs shall be required to retain a minimum of 20 per cent share of the individual loans on their books. Additionally, banks can claim priority sector status in respect of their share of credit while engaging in the CLM adhering to the specified conditions.

RBI guidelines issued during September 2018 required banks to approve cases originated by NBFC before disbursement and entails joint contribution. However, the turn-around time of banks for approval are much longer than NBFCs which affected the competitive advantage of NBFCs of quick turn-around. After the feedback received from stakeholders to better leverage the respective comparative advantages of the Banks and NBFCs in a collaborative effort, RBI has notified the revised scheme during November 2020 with an option where in NBFCs are supposed to disburse the loans and the banks shall thereafter acquire share in the loans on individual basis after conduct of required due diligence like Direct Assignment transaction.

Recent co-lending agreements,

Below mentioned are certain agreement between Banks and NBFC for co-lending,

- MAS Financials agreement with Bank of India (September 2021), U GRO Capital agreement with IDBI Bank (October 2021) and State Bank of India (November 2021), IIFL Home Finance agreement with Central Bank of India (October 2021) and Standard Chartered Bank (January 2021) to provide formal credit to underserved MSMEs.
- Indiabulls Housing Finance Limited agreement with Yes Bank (July 2021), IIFL Home Finance agreement with Punjab National Bank (September 2021) for offering home loans.
- State Bank of India agreement with micro finance lenders - Vedika Credit Capital Limited (VCCL), Save Microfinance Private Limited (SMPL) and Paisalo Digital Limited (PDL) (September 2021) for lending to individual JLG members

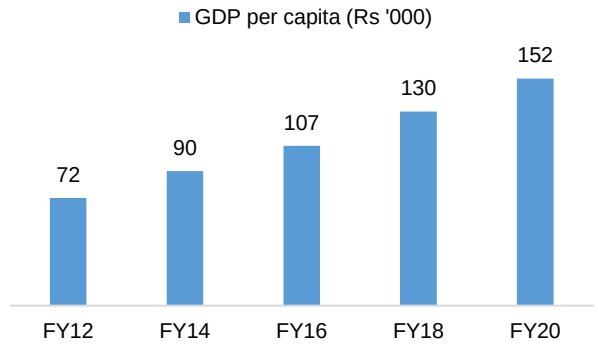
The co-lending model has not seen a vast spread testing period and hence certain business nuances continue to exist like impact on asset quality of bank books and profitability for lenders in addition to the challenges stated earlier.

Risks and Challenges

Competitive advantage of banks vis-à-vis HFCs	• Banks have access to borrowers' banking behaviour and their repayment history by which they approach their regular customers by offering lower interest rates (than HFCs) and zero processing fee.
Funding disadvantage for lower rated HFCs	• Smaller HFCs have disadvantage due to the mix of funding (mid-size and small HFCs are more bank-funded) and higher costs (as credit ratings are lower)
Delay in project approvals and construction	• HFCs' cash flows are largely dependent on the timely completion of projects, in which their customers have bought housing. • If the project gets delayed, the borrower may start defaulting on loans
Lack of proper title; lack of data for credit appraisal	• Credit score availability in India is still at a nascent which makes it difficult to judge the ability of the borrower to repay • HFCs are trying hard to mitigate this risk by doing more due diligence by their technical team.

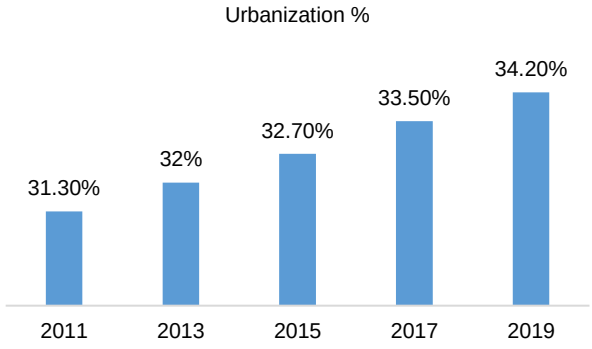
Long term growth drivers of housing finance sector:

Rising per capita income



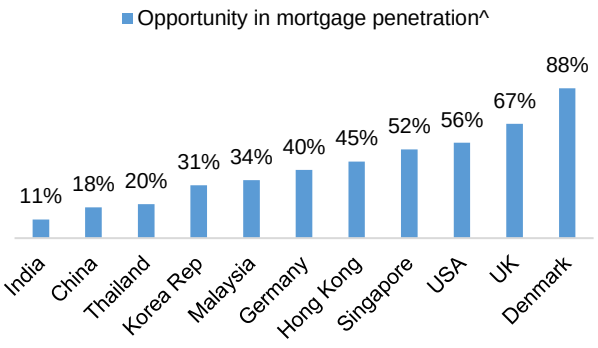
Rising income levels lead to higher disposable income therefore increasing affordability

Rapid urbanization



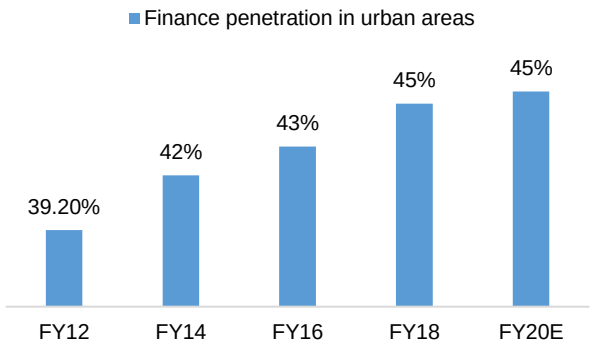
Urbanization increases the number of nuclear families, leading to formation of more urban households

Significant opportunity in mortgage penetration



India's mortgage penetration, although lower, is improving due to ease of financing, tax incentives and increasing reach of financiers

Increasing finance penetration



Rising demand of housing in tier-2 cities has aided financing penetration in such areas

Note: ^India data for FY19, others for CY15

Source: MOSPI, United Nations Department of Economic and Social affairs, IMF, European Mortgage Federation, HOFINET, NHB, Company reports, CRISIL Research

Government support, regulations pertaining to housing

Key announcements in last 2 fiscals	Impact
Resolution Framework for COVID-19 stress also known as One-Time Restructuring (OTR) (August 2020 and May 2021) RBI announced to permit a one-time restructuring of loans Scheme was announced again in May 2021 (OTR 2.0) to support customers who are undergoing financial stress due to Covid-19 second wave	While 0.5-1% of the outstanding home loans are estimated to have undergone OTR 1.0, the number in OTR 2.0 is expected to be marginally higher
Risk-weighted assets (October 2020) RBI has decided to rationalize the risk weights and link them to LTV ratios only for all new housing loans sanctioned up to March 31, 2022	Housing loans above Rs 75 Lakh will benefit the most as risk weights for these loans will reduce from 50% to 35%. Lenders may use this benefit to in the form of lower cost of lending to mid and high ticket properties
Moratorium on loan repayments (March, April 2020) All lending institutions are permitted to allow a moratorium of 3 months (extended by another 3 months) on repayment of installments for term loans outstanding and payment of interest on working capital facilities as on March 1, 2020 Deferred payments are mandated not to translate into asset classification downgrades; credit history will also be unchanged	Moratorium was a relief for customer profiles, whose incomes were affected in first 2 quarters, enabling them to avoid EMI payments. However, the interest accumulates over the period
Partial Credit Guarantee - PCG (December 2019) Government modified the Partial Credit Guarantee (PCG) scheme to include HFCs and NBFCs rated up to BBB+	Previously, scheme was eligible only to players rated AAA or above. However, these players faced no difficulties in raising funds. Inclusion of BBB+ or above will help other mid-rated players.

Key government schemes for housing sector

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

Pradhan Mantri Awas Yojana (PMAY)

Pradhan Mantri Awas Yojana – Urban (PMAY-U), a flagship Mission of Government of India being implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25th June 2015. The Mission addresses urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers by ensuring a pucca house to all eligible urban households by the year 2022.

To address these gaps in the rural housing program and in view of Government's commitment to providing "Housing for All'' by the scheme 2022, the erstwhile IAY(Indra Gandhi Awas Yojana) has been re-structured into Pradhan Mantri Awaas Yojana –Gramin (PMAY-G) w.e.f. 1st April 2016. PMAY-G aims at providing a pucca house, with basic amenities, to all houseless householder and those households living in kutcha and dilapidated house, by 2022.

PMAY progress status as of September 27, 2021

PMAY (Urban) - Progress	Value	PMAY (Gramin) -Progress	Value
Houses sanctioned	113.55 lakh	Houses target	207.87 lakh

Houses grounded	87.94 lakh	Houses sanctioned	196.39 lakh
Houses completed	50.82 lakh	Houses completed	156.77 lakh
Fund Committed (central)	Rs 1.85 lakh crore	Fund allocation	Rs 2.66 lakh crore
Fund Released (central)	Rs 1.13 lakh crore	Fund released	Rs 1.84 lakh crore
Fund Expenditure (central)	Rs 0.97 lakh crore	Fund utilized	Rs 1.96 lakh crore

Source: Ministry of Housing and Urban Affairs, Ministry of Rural Development, Government of India, CRISIL Research

Credit-linked subsidy scheme (CLSS)

- Under the 'Housing for All' mission, the central government implemented CLSS as a demand-side intervention to expand institutional credit flow to the housing needs of people residing in urban regions
- Under the mission, affordable housing through CLSS will be implemented through banks/financial institutions
- Credit linked subsidy is provided on home loans taken by eligible urban population for acquisition and construction of houses
- Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) were identified as central nodal agencies to channelize this subsidy to lending institutions and monitor progress of this component
- For all income slabs, any additional loan taken by the beneficiary up to a maximum tenure of 20 years will be at non-subsidised rates
- The interest subsidy amount will not be the differential of interest amount (of actual and subsided rate) but will be the net present value (NPV) of the interest subsidy amount.

CLSS revised guidelines

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

Source: CRISIL Research

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

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

Key components of the mission

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

AMRUT Progress

AMRUT Status as of September 2021	Projects	Value in Rs Crore
Work completed	3,783	21,427
Awarded	2,024	59,299

Total state annual action plans	77,640

Source: Ministry of housing and urban affairs, CRISIL Research

Initiatives by regulators to support affordable housing finance

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

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

MSME Finance

Credit to micro, small, and medium enterprises (MSME) witnessed a growth of 7% during fiscal 2021 supported by favorable government measures. Given that banks contribute almost 80% share in total lending to the segment, disbursements under ECLGS led to a healthy growth of 8% in banks' credit thus supporting the overall credit growth. With gradual improvement in demand amid faster economic growth, financing needs of MSMEs is likely to increase with estimated credit growth of 7-9% in fiscal 2022.

	Fiscal 21 Share %	FY17-21	Fiscal 2022	Fiscal 2023
Banks	80	6%	8-10%	9-11%
NBFC	20	11%	5-7%	8-10%
Total book Rs bn		18.5*	~20	~22

Note: Total Book number for FY17-21 is outstanding book for FY21

Source: CRISIL Research

MSME sector witnessed high impact of the first and second wave of the pandemic in fiscal 21 and in Q1 fiscal 22 respectively. With sector's close linkage to economic activities, the magnitude of impact was significant due to frequent lockdowns and restrictions which impacted demand, supply and hence profitability across most sectors. This necessitated relief measures which were promptly announced by the Government in the form of ECLGS scheme last year and was reviewed on a timely basis to reduce overall impact on the sector. However, most of the disbursements under the scheme were by banks and hence they saw a book growth of 8% while growth for NBFCs was lower at 3% in fiscal 2021. Decline in book was also restricted due to moratoriums and standstill asset classification for MSME until March 2021.

Q1 of fiscal 22 saw a lower impact as NBFCs' MSME book remained flat with increase observed only in LAP book. With revival in economic activity and strong export and domestic support, MSME demand in expected to see an uptick resulting into higher disbursements. This will be supported by extension of ELGS scheme till September 2021. Overall MSME loan book will increase by 7-9% with book growth for banks being higher at 8-10% and NBFCs book increasing by 5-7%.

Overall MSME credit growth to be driven by ECLGS scheme at banks

Emergency Credit Line Guarantee Scheme was announced as part of the Atmanirbhar Bharat Package in 2020 with the objective to support businesses including MSMEs to meet their operational liabilities and resume businesses in view of the distress caused by the pandemic. As on September 2021, loans sanctioned under the scheme crossed Rs 2.86 trillion, with about 95% of the guarantees issued for loans sanctioned to MSMEs. In September 2021, the central government further extended Rs 4.5 trillion ECLGS till March 31, 2022.

While majority of the disbursements under ECLGS is contributed by public and private sector banks, non-banks are going slow given the already existing asset quality concerns. Non-banks are also expected to conserve liquidity in such challenging

times and are expected to witness lower disbursal in the scheme given the capping of interest rates on such additional lending, leading to very thin margins. The interest rate under the scheme was capped at 9.25 percent for Banks and Financial Institutions and 14 percent for Non-Banking Financial Institutions.
LAP segment contributes to two-thirds of MSME portfolio at NBFCs

A faster-than-expected revival in the economic activity and pent up demand instilled a positive economic performance in the fourth quarter of fiscal 2021. Outstanding MSME book of non-bank companies are expected to have grown by 3% on-year in fiscal 2021 given the increased demand of Loan against property (LAP). Borrowers preferred LAP on the back of lower interest rates, lower EMIs and higher tenure loans reducing their immediate financial burden. Lenders on the other hand preferred security based lending in the era of uncertain cash flows and therefore, disbursements in unsecured lending was restricted given the higher risks of default in such challenging times.

However, CRISIL expect a gradual improvement in demand amid expectation of faster economic growth reviving financing to MSMEs in the second half of fiscal 2022. CRISIL Research expects the outstanding book of NBFCs in the MSME segment to grow at 5-7% in fiscal 2022 supported by growth in all three segments of lending viz. LAP, secured Non-LAP and Unsecured. With revival in economic activities and improving cash flows, NBFCs will increase their funding in the unsecured segment as well as they restrict their lending in LAP segment due to asset quality stress of past years. With improved underwriting practices, lending in unsecured portfolio is expected to improve while secured non-LAP will face competition from banks. However, smaller non-banks will be wary of funding given the already existing stress and thus will witness moderate growth rates.

Despite likely improvement in Q2 fiscal 22, overall stress in non-banks' MSME portfolio continue to remain monitorable

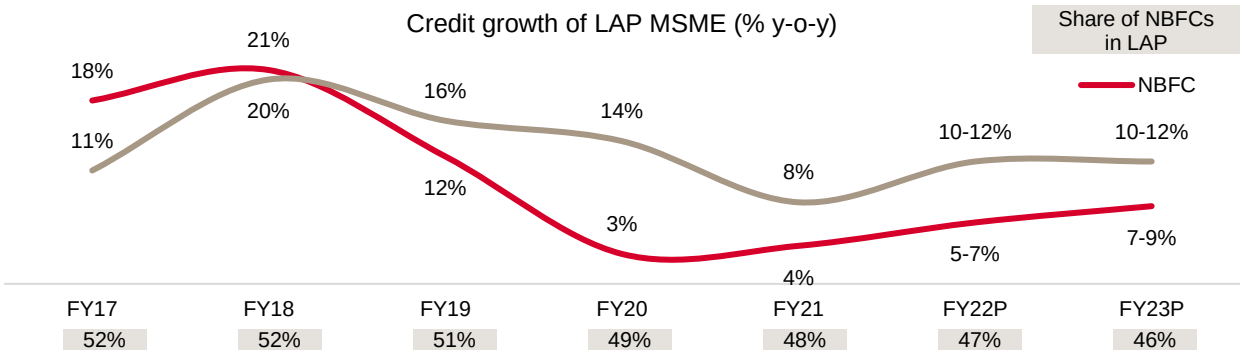
Non-banks' MSME collection efficiency which was at 60-70% in August 2020 increased to 85-95% in April 2021. Post second wave of pandemic, as economic activities gathered steam and business cash flows improved, borrowers started paying their loan instalments. While a few major players in SME segment reported improvement in NPA levels as of March 2021 when compared to December 2020 levels, a few of the players reported collection efficiency in the range of 85-90%. Furthermore, collection efficiency is estimated to have increased to 90-95% in June 2021.

GNPA of the overall NBFC MSME book is estimated at 4.5% in fiscal 2020. In fiscal 2021, total stressed assets (which includes GNPA and restructuring) is estimated to have reached 6-7% due to increased stress in NBFCs' MSME borrowers, who were hit the hardest due to Covid-19. Asset quality concerns continued in Q1 fiscal 22 as second wave impacted the MSME segment and collections were hit. Months of April and May saw sharp dip in collections resulting into higher delinquencies. Players like Bajaj Finance, Shriram City Union Finance and IIFL reported increase in GNPAs by 20-50 bps. Worsening in GNPAs was restricted on account of restricting which is estimated to be in the range of 1-2%. However, on sequential basis post second wave, players have seen improvement in collection efficiencies since July on the back of a swift economic recovery. With improving collections, the asset quality concerns are expected to moderate in the second half of fiscal 22; however, the impact of Q1 fiscal 2022 is expected to weigh on overall asset quality. At aggregate level (includes GNPA and restructuring), we expect stressed assets in NBFC's MSME segment to reach 7.5-8.5% by end of fiscal 2022.

Loan against property

LAP portfolio at NBFCs is estimated at Rs 2,500 billion as of fiscal 2021. During the year, growth rate in LAP segment was higher than other MSME segments (secured non-LAP and unsecured) as non-banks are preferred mortgage-based lending over cash-flow-based lending in the short-run given the potential risks in other segments. LAP portfolio at NBFCs, which stood at Rs 2,500 billion as of fiscal 2021, is expected to grow by 5-7% in fiscal 2022.

LAP NBFC portfolio to grow by 5-7% in fiscal 2022



Source: Company reports, CRISIL Research

Loans against property (LAPs) are availed by mortgaging properties (residential or commercial) with the lender. The end-use of the loan is not closely monitored. It could be used for either business or personal purposes. It can be availed by both salaried and self-employed individuals. LAP is a secured loan, as it provides collateral to the financier in the form of property. Its interest rate is lower compared with personal or business loans.

With improvement in economy and lenders being positive towards mortgage based lending, LAP segment is expected to perform better in fiscal 22 and fiscal 23. However, the lenders are unlikely to be as aggressive as they were in the past, when the segment witnessed a double digit CAGR of 12% between fiscals 2017 and 2020. Higher growth in the past was due to lower interest rates and increased penetration. However after fiscal 2019, non-banks lost their share in the LAP market as they were focusing on containing asset quality deterioration. Banks registered strong growth in the segment due to their aggressive strategies, higher market penetration, lower cost of funds and adequate liquidity support. Banks are expected to grow at a superior growth of 10-12% in next two fiscals. NBFCs currently hold a share of 48% in overall LAP portfolio compared to 52% in fiscal 2017, and they are expected to lose a further 150-200 bps to banks by end of fiscal 2023.

MSME: Non-LAP secured loans

Non-LAP secured MSME loans include both working capital products (such as cash credit, overdraft facility and bill discounting) and other term loan products, including asset-backed or hypothecated loans. Hypothecated loans are term loans where the collaterals offered are a combination of property, inventory, etc.

MSMEs have been growing at double digit prior to fiscal 2019, which slowed after the liquidity crisis. In fiscal 2021, the growth remained muted due to lower disbursements which are estimated to have halved due to Covid-19. Meanwhile, banks have grown at 8% due to support from ECLGS scheme. As of March 2021, we estimate, approximately Rs 2 trillion loans to have been disbursed, bulk of which were under this segment. With economic recovery and improvement in disbursements, CRISIL Research expects NBFCs' non-LAP secured MSME book to grow by 3-5% in fiscal 2022 and 6-8% in fiscal 2023. Meanwhile, banks, which dominate this segment are expected to grow at 7-9% in fiscal 2022 and 8-10% in fiscal 2023.

MSME: unsecured loans

Unsecured MSME loans are given to self-employed borrowers without collateral. It is cash-flow-based lending rather than collateral-based. Unsecured loans are underwritten based on financial statements, bank statements, GST returns, number of loans taken in the past, bureau checks, scorecards etc. An unsecured small business loan is usually taken to tide over a liquidity crunch, take advantage of short-term opportunities, or for a small business expansion, mostly when cash credit limit of the bank is exhausted. Many lenders give these loans on top of existing secured loans with them.

Despite likely improvement in Q2 fiscal 22, overall stress continue to remain monitorable

Non-banks' MSME collection efficiency which was at 60-70% in August 2020 increased to 85-95% in April 2021. Post second wave of pandemic, as economic activities gathered steam and business cash flows improved, borrowers started paying their loan instalments. While a few major players in SME segment reported improvement in NPA levels as of March 2021 when compared to December 2020 levels, a few of the players reported collection efficiency in the range of 85-90%. Furthermore, collection efficiency is estimated to have increased to 90-95% in June 2021.

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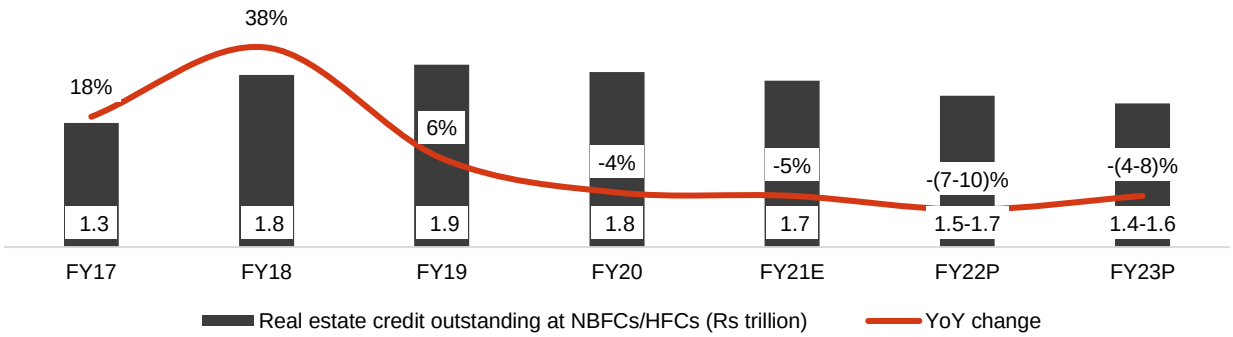
Wholesale Finance

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

Wholesale finance represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses long- and short-term funding. CRISIL Research excludes lease rental discounting (LRD) from the wholesale book and lending to the infrastructure sector and covers only loans offered to large corporates in non-infrastructure segments. Approximately 60% of the NBFCs wholesale book comprises of real estate / developer loans, while the remaining corresponds to corporate lending.

NBFCs' real estate book to decline sharply with muted fresh disbursements and sell-offs
Real estate credit outstanding of NBFCs to decline 7-10% in fiscal 2022



Source: Company reports, CRISIL Research

Real estate loans at NBFCs are estimated to be at Rs 1.7 trillion as of fiscal 2021. The real estate sector was on the path of recovery with gradual unlocking, better labour availability, income stability & key state government initiatives by the end of Q4 fiscal 21. However, the recovery trajectory could not be sustained much longer due to onset of second Covid wave in Q1 fiscal 22, which led to lockdown like restriction in almost all major states and cities. The second Covid wave took toll on the sector in terms of both sales as well as construction. Residential and commercial new project launches remained subdued as well. Key organised set of players were placed relatively better than the rest on the back of technological advancement (virtual site tour) and financial stability (continued operations at their site). However, infrastructure construction activities were allowed to continue despite local lockdowns with central and state governments spending on capex compared to the year-ago quarter where the capex remained muted. Sentiments, however, were lower sequentially due to some labour migration attributable to the second wave of Covid and monsoons affecting construction activities.

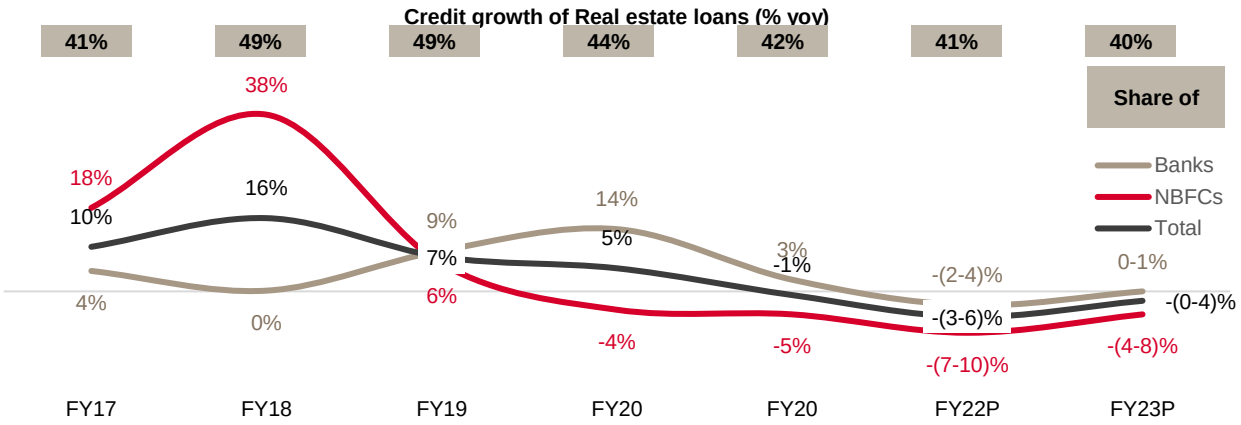
In Q2 fiscal 22, the impact of second Covid wave tapered and majority of business activities resumed. Sales momentum has gradually picked up with states like Maharashtra, Karnataka etc. showing early signs of recovery. Factors as pace of vaccination drive and overall economic scenario returning to normalcy are suggesting gradual building of sales momentum across key markets.

Few large players have been able to market and sell projects digitally. Real estate sales declined significantly in April and May 2021, owing to lockdown, although improvement was visible after June. Primary sales in top 10 cities are expected to increase by 10-15% in fiscal 2022. However, with increasing asset quality concerns, most lenders announced their long term strategies since 2020, to reduce their exposure to wholesale lending (mostly real estate).
Going forward, CRISIL Research expects many lenders to stay risk averse towards real estate portfolio. However, lenders will be positive towards lending to few large, branded developers who clearly outperformed others. At an aggregate level, real estate book of NBFCs is expected to decline by 7-10% in fiscal 2022, led by muted fresh disbursements. Quantum and

severity of Covid-19 third wave remains a key monitorable and may affect this growth numbers further downward. Full economic revival in fiscal 2023 is not expected to result in a meaningful growth for the segment, due to the strategic decisions by the players.

Credit outstanding of real estate loans grew at a CAGR of 12% between fiscals 2017 and 2020. IL&FS crisis hit the real estate lending hardest among all the NBFC segments. Growth slowed down significantly to 6% in fiscal 2019 and a decline of 4% in fiscal 220 was witnessed. Increasing asset quality concerns led to lenders being cautious to lend to developers in fiscal 21 as well. In fiscal 2021, Covid-19 hit real estate segment hard with lockdowns, labour migration leading to sales decline of 18-20% in top 10 cities. The impact would have been much worse without government interventions. Incentives like lower repo rates, stamp duty reduction by few state governments and price cuts by developers led to improvement in sales in Q3 and Q4 of fiscal 2021, despite muted sales in Q1 and marginal improvement in Q2.

NBFCs to lose market share to banks in real estate portfolio



Source: Company reports, CRISIL Research

Prior to fiscal 2019, NBFCs aggressively expanded their real estate portfolio, but the NBFC crisis affected their books hard. After fiscal 2019, banks started expanding their portfolio, as result of which, NBFCs which held market share of 49% in fiscal 2019 currently hold a share of 42% in fiscal 2021. Going forward, we expect, even banks to lend cautiously towards real estate segment.

Asset quality - Wholesale

CRISIL Research estimates overall stress in the wholesale book to be at 20-30% of total book. This includes contractual moratorium, book under extension by “date for commencement for commercial operations (DCCO) extension” and book that is estimated to have opted for one-time restructuring.

OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "**Forward Looking Statements**", "**Risk Factors**", and "**Financial Information**" on pages 17, 34, and 185, respectively. In this section any reference to "we", "us" or "our" refers to IIFL Home Finance Limited. Unless stated otherwise, the financial data in this section is according to our Reformatted Ind AS Financial Statements prepared in accordance with the requirements of the SEBI NCS Regulations and the Companies Act as included in this Tranche II Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

Overview

We are retail focused housing finance company with main focus on providing loans to first time home buyers in the EWS and LIG segment in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities in India where the collateral is a proposed self-occupied residential property. We serve salaried and self-employed customers who account for 47.23% and 52.77% of our AUM as of September 30, 2021, respectively. We have served over 157,000 customers as of September 30, 2021.

We offer customers a range of mortgage-related loan products, including (i) housing loans, for purchase of ready built residential units, under construction property by approved builders, self-construction, home improvement on pre-owned property and purchase of land for construction of residential property; (ii) secured business loans, for primarily meeting working capital requirement, business use and purchase of commercial property; and (iii) affordable housing project loans, to meet construction expenses of affordable housing projects of reputed developers. Housing loans, secured business loans and affordable housing project loans contribute 69.78%, 26.00% and 4.22% of our AUM, as of March 31, 2021, respectively and 73.10%, 24.66% and 2.24% of our AUM, as of September 30, 2021, respectively. The housing loan and secured business loans have an average loan-to-value of 71.78% and 47.24%, respectively, at the time of sanctioning of the loans. The average ticket size of our housing loans, secured business loans and affordable housing project loans was ₹1.70 million, ₹2.52 million and ₹339.81 million, respectively, as of September 30, 2021.

Our AUM has increased from ₹ 181,578.31 million, as of March 31, 2019 to ₹ 214,742.64 million, as of Sept 30, 2021, at a CAGR of 7%. Our cost to Income Ratio has decreased from 36.93% for Fiscal 2019 to 21.06% for Half Year Fiscal 2022. As of March 31, 2021 and September 30, 2021, our Gross NPA expressed as a percentage of our AUM was 1.72% and 2.07% , respectively, and our Net NPA expressed as a percentage of our AUM was 1.20% and 1.39% , respectively.

We have a widespread network of 127 branches in 16 states and one union territory as of September 30, 2021. Most of our branches are located in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities which offer significant opportunities in affordable housing segment that is relatively untapped by bigger players in the home loan market. Our focus states include Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Punjab.

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

Our financing requirements have historically been met from a variety of sources including refinancing from the NHB, term loans and working capital facilities, proceeds from loans assigned, proceeds from the issuance of NCDs, external commercial borrowing; and subordinated debt borrowings from banks, mutual funds, insurance companies and other financial institutions to meet our capital requirements. As of March 31, 2021, our total borrowings was ₹130,102.45 million and our average cost of borrowings for Fiscal 2021 was 8.46%. As of September 30, 2021 our total borrowings was ₹ 130,639.55 million.

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

responsibility towards the environment and are judicious in natural resource utilisation.

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

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

As six months ended September 30, 2021 and for Fiscals 2021, 2020 and 2019, our total income was ₹10,669.10 million, ₹20,677.50 million, ₹18,030.21 million and ₹18,461.10 million, respectively, our profit after tax was ₹2,840.24 million, ₹4,010.95 million, ₹ 2,449.22 million and ₹ 3,063.93 million, respectively and our net worth was ₹23,695.36 million, ₹21,225.30 million, ₹17,780.66 million and ₹15,721.12 million, respectively.

Our Competitive Strengths

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

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

We largely operate in the affordable housing segment and our housing loans are targeted at the EWS and LIG segment. The average ticket size of housing loans is ₹1.70 million. This segment has typically been underserved by traditional banks and large housing finance companies due to lack of reach and perceived higher risks, which provides us an opportunity to play a significant role in bridging the demand and supply gap in financing the affordable housing loans. GoI has introduced the Credit Linked Subsidy Scheme under Pradhan Mantri Awas Yojana – Housing for All (Urban) ("**PMAY-CLSS**") which aims at incentivizing home buyers, by providing credit-linked subsidy on housing loans taken for acquisition or construction of houses which enhances the affordability of above segment and also act as catalyst for demand side intervention. We helped empower over 49,500 customers (EWS , LIG & MIG) with more than ₹ 11 billion subsidies as on September 30, 2021, under the PMAY-CLSS which amounts to 2.85% of total subsidy beneficiaries granted by GOI under the PMAY-CLSS as of September 30, 2021. We actively collaborated with various State Governments and State Housing Authorities in order to promote affordable housing. As of September 30, 2021, 50.10% of our Gross AUM and 75.74% of our live accounts was from customers who belonged to the EWS and LIG segment.

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

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

Presence in markets with strong growth potential

We have a strong outreach across the length and breadth of the country through our extensive distribution network of 127 branches strategically located across 16 states and one union territory as of as of September 30, 2021. Most of our branches are Located in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities offering a significant opportunity for our Company to capture the housing market in these locations. We have focused presence in eight states - Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Punjab.

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

Our growing presence across key states through physical locations, sales personnel, and digital and technology enabled solutions positions us to be the lender of choice for affordable housing loan products amongst our target customers. In addition to our network and online channels, we have access to IIFL Group's network of 2900+ touch points to reach potential customers in the suburbs of Tier 1 cities, Tier 2 cities and Tier 3 cities .

End-to-end digitisation

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

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

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

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

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

The investment in technology has not only helped us in improving customer experience, but also in reducing operating cost and development of new business opportunities. Our Cost to Income Ratio has decreased from 36.93% in Fiscal 2019 to 21.06% in Fiscal Half Year 2022.

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

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

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

Our in-house collection team that uses various data analysis and trends provided by risk team to take proactive actions for faster collections. For collections and recovery, our Company uses digital collection and communication tools both for customer interaction and collection. The collection team uses a mobile application, an end-to-end platform, for doing receipt

entries, deposit entry, visit schedule and other day to day field collection related activities. Majority of our collection is done through automated clearing without the much need of physical collections. Apart from taking recovery steps, team also educates the customers to exercise the discipline and for understanding the reason for default. Field visits, initiating legal actions for recovery under various laws are some of the measures undertaken by collection team for recovery.

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

We have adopted and implemented a social objective across all aspects of our business in line with vision of 'Complete Profitability' and ESG framework with increased focus on sustainable growth. We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the EWS and LIG segment. As of as of September 30, 2021 and March 31, 2021, 75.74% and 74.90%, respectively, of our live accounts was from customers who belonged to the EWS and LIG segment. Through the provision of loans for purchase of homes to a customer segment that is not serviced by the mainstream financial services sector and our employment of personnel in rural and semi urban locations across India, we are fulfilling an important social objective of economic upliftment for these segments of the Indian economy.

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

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

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

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

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

Established track record of financial performance

We have been in the business of home financing for over a decade and has shown a consistent performance over the years. Our AUM has increased from ₹181,578.31 million, as of March 31, 2019, to ₹214,742.64 million, as of Sept 30, 2021, at a CAGR of 7%. Our disbursements during the half year and six months ended September 30, 2021, Fiscal 2021, 2020 and 2019 were ₹29,423.05 million, ₹54,362.93 million, ₹32,551.51 million and ₹74,606.70 million, respectively.

Our profit after tax improved from ₹ 3,063.93 million in Fiscal 2019 to ₹ 2,840.24 million in first half of Fiscal 2022 and our Net-worth has increased from ₹15,721.12 million in Fiscal 2019 to ₹ 21,225.30 million in Fiscal 2021. Our networth further increased to ₹ 23,695.37 million in the first half of Fiscal 2022. Our CRAR, ROE and ROA are at 22.98%, 20.57% and 2.63% in as of March 31, 2021 and 30.75%, 25.29% and 3.54% in as of September 30, 2021. As of March 31, 2021, our Gross and Net NPA expressed as a percentage of our AUM are 1.72% and 1.20%, respectively and as of September 30, 2021 are 2.07% and 1.39%, respectively.

We believe that we are able to access borrowings at a competitive cost due to our credit ratings, stable credit history, conservative risk management policies and strong brand equity. Our financing requirements historically have been met from several sources, including refinancing from the NHB, term loans, working capital loans and external commercial borrowing. As of March 31, 2021, our Total Borrowings were ₹130,102.45 million and our average cost of borrowings was 8.46% and as of September 30, 2021 our Total Borrowings were ₹ 130,639.55 million and our average cost of borrowings was 8.10%.

We follow an asset light approach wherein we assign loans through direct assignment to banks and financial institutions, which enables us to optimize our capital and asset liability management. As of March 31, 2021 and September 30, 2021, assignment/securitisation accounts for 34.29% and 34.90%, respectively of the total borrowings, including assignment.

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

Our Strategies

Leverage Technology to Grow Business and Drive Operational Efficiency

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

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

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

Increase penetration in our existing markets and offer newer products

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

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

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

We follow an asset light approach wherein we assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As of March 31, 2021 and September 30, 2021, assignment/securitisation accounts for 34.29% and 34.90%, respectively of the total borrowings.

Key financial and operational information

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

(₹ in million except percentage)

Parameters	As on September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Balance Sheet				
Net Fixed assets	170.83	157.78	290.00	49.66
Current Assets	33,154.43	39,515.57	51,466.54	50,824.61
Non-Current Assets	127,974.52	120,104.75	93,418.40	95,222.73
Total Assets	**161,299.79**	**159,778.10**	**145,174.94**	**146,097.00**
Non-Current Liabilities (including maturities of long-term borrowings and short term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	92,591.10	89,105.96	91,770.67	94,971.57
Provisions	41.20	39.98	30.74	26.04
Deferred tax liabilities (net)	-	-	-	-
Other non-current liabilities	-	-	-	-
Current Liabilities (including maturities of long-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	43,371.81	47,643.08	34,957.14	34,284.93
Provisions	64.75	85.80	129.36	106.37
Current tax liabilities (net)	399.49	312.59	76.14	242.84
Other current liabilities	513.37	1,133.61	210.75	498.43
Equity (equity and other equity)	24,318.07	21,457.09	18,000.14	15,966.82
Total Equity & Liabilities	**161,299.79**	**159,778.12**	**145,174.94**	**146,097.00**
Profit and Loss				
Total revenue				
From operations	10,138.16	19,569.66	17,428.63	17,484.31
Other income	530.94	1,107.84	601.58	976.79
Total expenses	(7,019.92)	(15,577.66)	(14,725.81)	(13,967.19)
Exceptional Item	-	-	(15.04)	-
Profit / (Loss) before tax	3,649.18	5,099.84	3,289.36	4,493.91
Profit / (Loss) after tax	2,840.24	4,010.95	2,449.22	3,063.93
Other comprehensive income	20.73	(29.79)	(36.73)	(107.34)
Total comprehensive income	**2,860.97**	**3,981.16**	**2,412.49**	**2,956.59**
EPS				
(a) Basic	135.45	191.29	116.81	150.91
(b) Diluted	-	-	-	-
Continuing operations	135.45	191.29	116.81	150.91
Discontinued operations	-	-	-	-
Cash Flow				
Net cash used in/generated from operating activities	(5,185.41)	(8,976.46)	3,234.29	(9,939.02)
Net cash used in / generated from investing activities	183.77	(2,876.48)	(1,028.45)	-418.76)
Net cash used in/generated from financing activities	1,823.85	6,724.54	(1,022.59)	15,851.07
Add: Opening cash and cash equivalents as at the beginning of the year	4,123.27	9,251.67	8,068.42	2,575.14
Cash and cash equivalents	945.48	4,123.27	9,251.67	8,068.42
Balance as per statement of cash flow	945.48	4,123.27	9,251.67	8,068.42
Additional information				
Net worth	23,695.36	21,225.30	17,780.66	15,721.12
Cash and Cash Equivalents	945.48	4,123.27	9,251.67	8,068.42
Current Investments	5.96	4.23	385.34	-

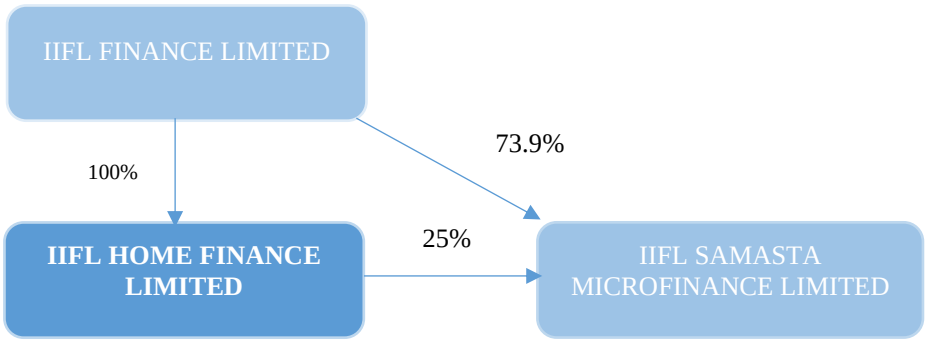
(₹ in million except percentage)

Parameters	As on September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Assets under Management	214,742.64	206,936.87	184,947.35	181,578.31
Off Balance Sheets Assets	61,532.68	58,387.34	56,807.77	47,575.69
Total Debts to Total assets	0.81	0.81	0.85	0.84
Debt Service Coverage Ratios	0.80	0.85	0.92	1.13
Interest Income	9,304.58	17,786.63	16,370.31	16,283.95
Interest Expense	(5,206.54)	(10,532.73)	(10,866.45)	(11,022.55)
Interest service coverage ratio	1.73	1.51	1.32	1.42
Provisioning & Write-Offs	665.78	2,716.87	1,294.01	198.86
Gross NPA (%)	2.34%	1.97%	1.60%	0.88%
Net NPA (%)	1.40%	1.24%	1.22%	0.67%
Tier I Capital Adequacy Ratio (%)	21.15%	19.61%	18.35%	15.82%
Tier II Capital Adequacy Ratio (%)	9.60%	3.37%	5.36%	5.20%

Notes:

1. Networth means share capital plus reserves less miscellaneous expenditure to the extent not written off.

Corporate Structure



Our Products and Services

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

We offer customers housing loans, secured business loans and affordable housing project loans, which accounted for 69.78%, 26.00% and 4.22% of our AUM, as of March 31, 2021, respectively and 73.10%, 24.66% and 2.24% of our AUM, as of September 30, 2021, respectively.

(i) Housing loan

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

(ii) Secured Business Loans

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

secured product. The maximum tenure for secured business loans is 10 years.

(iii) Affordable housing project loans

Affordable housing project loans constitutes 4.22% and 2.24% of our AUM, as of March 31, 2021 and September 30, 2021, respectively, are designed to meet the construction funding requirements of real estate developers across the life cycle of their projects. The portfolio consists of 100% secured loans over 15 projects consisting of mortgage over 9,400 homes (84% of whom cater to affordable homes) which continue to be in demand. We primarily fund experienced developers and over 95% of our affordable housing project loans portfolio consists of developers having more than 10 years of real estate experience.

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

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

(₹ in millions)

Metric	As on September 30, 2021	As of and the Fiscal		
		2021	2020	2019
AUM				
Housing loans	156,984.19	144,392.42	124,430.62	121,856.87
Secured business loans	52,946.75	53,811.47	48,821.48	47,533.75
Affordable housing project loans	4,811.70	8,732.98	11,695.25	12,187.68
Total	**214,742.64**	**206,936.87**	**184,947.35**	**181,578.31**
Disbursement				
Housing loans	23,762.46	41470.04	23,877.13	53,860.75
Secured business loans	5575.34	12683.28	5,327.86	14,863.09
Affordable housing project loans	85.21	209.61	3,346.52	5,882.86
Total	**29,423.05**	**54,362.93**	**32,551.51**	**74,606.70**
Average ticket size on AUM				
Housing loans	1.70	1.73	1.87	2.03
Secured business loans	2.52	2.79	4.62	5.13
Affordable housing project loans	339.81	282.05	149.99	118.06
Total	**1.90**	**2.04**	**2.44**	**2.66**

Branch Network and geographical distribution

As of September 30, 2021, we operate in 16 states and one union territory with 127 branches. However, we have a significant presence in the states of Gujarat, Madhya Pradesh, Karnataka and Andhra Pradesh through 76 branches.

The following table sets forth certain details of our branch network, as of September 30, 2021:

Sr. No.	State	Number of Branches	Percentage of AUM
1.	Gujarat	29	9.61%
2.	Madhya Pradesh	10	7.00%
3.	Karnataka	12	6.44%
4.	Andhra Pradesh	25	3.79%
5.	Maharashtra	9	21.24%
6.	Telangana	6	6.12%
7.	Rajasthan	7	4.71%
8.	Punjab	4	4.40%
9.	Others	25	36.69%

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

Customer Base

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

As of March 31, 2021 and September 30, 2021, we were servicing 125,399 and 137,769 active loan accounts, respectively. Loans to self-employed customers accounted for 39.76% and 38.98% of our total live accounts, while loans to salaried customer accounted for 60.24% and 61.02%, as of March 31, 2021 and September 30, 2021, respectively. As of March 31, 2021 and September 30, 2021, 46.66% and 50.10% of our AUM were from customers who belonged to the EWS and LIG category and 21.12% and 20.42% of our total live accounts were from customers who were new to credit, respectively. We target first time home buyers where the collateral is a proposed self-occupied residential property.

The following table sets forth certain details of our customer base, as of the dates indicated:

	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Number of total loan accounts	137,769	125,399	94,115	82,718
Self-employed loan accounts	53,702	49,861	37,487	34,449
Salaried loan accounts	84,067	75,538	56,628	48,269
New to credit accounts* *(%)*	20.42%	21.12%	23.71%	23.95%

**New to credit represents loans where customers do not have a credit history or where the credit history is too recent for CIBIL to give credit scores to the customers.*

The table below indicates the income-wise split of Gross AUM as of and for the periods indicated:

(₹ million)

Metric	September 30, 2021	As of and for the financial year ended March 31,		
		2021	2020	2019
Salaried	101,425.64	91,816.66	74,512.16	66,416.60
Self-employed	113,317.01	115,120.20	110,435.19	115,161.71
Gross AUM	**214,742.64**	**206,936.87**	**184,947.35**	**181,578.31**

Loan-to-Value (LTV) Ratio, EMI and Tenure of housing loan

The RBI Master Directions prescribe the maximum permissible parameters of the loan amount that can be provided to housing loan customers. Loan amount of up to ₹3.00 million is permitted to have a maximum LTV ratio of up to 90.0%, loan amount between ₹3.00 million and ₹7.50 million is permitted to have maximum LTV ratio of up to 80.0% and loan amount above ₹7.50 million is permitted to have maximum LTV ratio of up to 75.0%.

While approving a loan application, we review, among others, the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, family details, the customer's business and salary profile and the security being provided by the customer. We have built in rule engines in our systems with respect to monitor the above prescribed LTV norms.

Our housing loans and loans against property had an average loan-to-value on sanction of 71.40% and 47.24%, as of March 31, 2021, respectively and 71.78% and 47.24% as of September 30, 2021, respectively. The offered tenure of our housing loans and secured business loan is for a period up to 25 years and 10 years, respectively, and vary according to the purpose of the loan, the customer's age and the customer segment.

Interest Rates, Fees and Collateral for housing loan

The rate of interest charged to the customer is linked to the "benchmark PLR" which is determined based on cost of funds, operational expenses of the company and minimum "margin". The effective rate of interest may vary or fluctuate during the term of the loan especially if there are any changes in PLR. The parameters like credit scoring, loan amount, profile type etc. contribute to the margin being higher or lower at the time of on-boarding the customer.

The rate of interest offered to a particular customer is the summation of this BPLR and the margin. The variable rate loans

are offered to the customers at PLR – discount/+ premium as decided at the time of sanctioning of loan. The company evaluates the PLR periodically. To cover the cost incurred in the loan process, we charge one-time processing/administrative fee from our customers.

The underlying collateral for a loan is the house towards which the loan is provided, either for construction, purchase or improvement. The security for housing loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property. We also obtain guarantees from a guarantor in certain loans. We advise insurance coverage to customers wherein the entire loan outstanding is repaid by the insurance company in the event of death of a customer.

Business processes

Business origination

We generate loans through both in-house direct sales team (**"DSTs"**) and external direct sales agents ("**DSAs**"). Loans sourced through DSTs can be through our website, social media platforms, walk-ins, cross sell etc. or may be sourced directly by the DST. We have dedicated policy defining norms which have to be complied before taking a DSA on our panel. Our contribution from DSTs to total disbursements increased from 74.44% in Fiscal 2019 to 91.90% in Fiscal 2021. DSTs utilise Jhatpat Application for on-boarding a new home loan borrower. As of September 30, 2021, our direct selling team comprised 859 members.

Our target customers are individuals with low to middle range income levels. Self-employed individuals include both professionals and small business owners and salaried individuals hail from a broad spectrum of companies/firms across industries. We cater to the broad segment with a range of loans with suitable ticket-sizes.

Credit approval and disbursement process

Our credit policy is approved by the Board of Directors. Loan approval for housing loans is undertaken with the help of our in-house technology that integrates various business rule engines. Our lending policy is automated in our on-boarding application "Jhatpat", which filters out the non-eligible customers for loan processing. The details of qualifying customers flow to our in-house loan processing system and is processed by our central team of underwriters. The paperless credit evaluation includes online validation of KYC, credit history check, income/ financial analysis, banking analysis, contact point verification and profile verification, where required. The eligibility of customers is auto calculated in the system. These digital verifications and automation not only enable the underwriters to process a loan application faster but also helps them to review more number of loans in a day leading to faster turnaround time ("**TAT**") for our customers.

The secured business loans are processed manually by the branch credit team in accordance with our credit policy. Once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters such as Past repayment history, income source, KYC and property acceptance norms. Underwriting is done as specified in the Credit Control policies & procedures manual. Every employee is given authority to approve a loan basis his experience and qualification. Our credit team for non-digital process consists of professionally qualified Chartered Accountants and MBAs from premier institutes to perform appraisal and due diligence. As part of appraisal process, Credit score is the gatekeeper for moving the file in. If score parameters defined in policy are met, then only the case is logged in for further processing. Various checks and verifications are performed on the documents provided by the borrower to check the genuineness. These checks and verifications are done through an independent Fraud Control Unit. Our loan officers and/ or empanelled vendor meet the borrowers at their business premises and carry out personal discussion. We also undertake credit and financial background check on each borrower.

The affordable housing project loans are sourced by the business teams wherein the focus is on lending to reputed developers having successful completion track record and active in the space of developing affordable housing projects, requiring construction funding. The developer should be of strategic relevance and complement to our retail strategy as well. A thorough discussion by the business and the credit team with the developer is done to understand his funding requirements. The processing of the loans is done by the specialised central credit team in accordance with the laid down guidelines and the loan proposal is evaluated on the parameters such as developer's overall real estate experience, execution capabilities and timely delivery, past repayment history, group strength and market reputation. Project assessment includes micro market analysis, location advantages, stage of construction, project future cash flow potentials, sales potential, execution capabilities and timely delivery, past repayment history, group strength and market reputation, etc. done both by in-house legal and technical team and but also through reputed international property consultants and law firms. After doing a thorough developer data analysis its audit, financial and banking analysis, legal and technical evaluation commenting on the clear title and availability of requisite approvals, RERA registrations etc., a detailed note is prepared and loan sanction is granted post

approval from requisite authorities. The loan is subject to strict post disbursal monitoring by the central credit team which includes ensuring security perfection, regular developer data analysis and audit, escrow account, periodic review of project progress, etc.

In addition to the aforesaid, Legal and technical verification of the property is conducted in all the loans by in-house as well as by external vendors depending on the transaction type and verification required. We have empanelled professionally qualified legal vendors and valuation agencies to carry security evaluation for us. These vendors are supervised by our professionally qualified independent Legal and Technical team. Our in-house technical team undertakes field visits to identify the location of the proposed collateral. The enhanced legal verification process is followed by bifurcating the process into legal search and legal report. The central in-house legal team which comprises of legal professionals having diversified experience prepares the legal opinion by checking the title documents of the proposed collateral for ascertaining the title flow and its authenticity. Further they use technology by accessing various central and state specific government sites and repositories to digitally trace the property and ownership records for title search resulting in faster and accurate legal opinions An external legal search is conducted through external lawyers if it requires physical verification at the office of the concerned authority.

The loans are disbursed at the branches with a maker-checker concept post validating disbursement documentation, e-sign on digital doc-kits, eNACH and original security documents. We endeavour to mitigate risk through defined loan documentation, and execution of equitable mortgage prior to the disbursement of the loan. In addition, key terms and conditions are usually communicated to the prospective customer.

Loan collection and monitoring

Our loan collection and monitoring is fully digitized and we use digital communication channels for monitoring our loans. Our in-house collection team comprises of Tele-Calling team, Field Collections and Legal Recovery. We send customers reminders before the due date using omnichannel communication like text messages and automated calls. We have logics in place to identify certain risk segment of customers who need more focus than others and we send multiple channel reminders. Recovery actions are initiated immediately as and when the customer defaults. The degree of engagement increases with increase in number of days past due.

In case of delay in payment of EMI, we use our CRM platform to generate data and monitor the actions taken on these cases. Default cases are assigned to tele-calling team or field collections, using predefined logics present in system. Our platform empowers us to identify the focus areas and initiate campaigns based on the previous feedback entered by the collection agents. We have also provided a mobile application which is an end-to-end platform for our feet-on-street collection managers. This app helps them for receipt entry, deposit entry, visit schedule and other day to day field collection related activities. Collection Manager also uses our multiple online payment collection channels to reduce physical cash collection activities. For difficult to recover cases, we have related legal process initiated in parallel to field visits to assist our agents collect customers' outstanding. The legal collection team also uses digital platforms for efficient tracking of cases.

Customer Service

Our Company focuses on catering to the ever evolving needs of the diverse market. Our customers raise their request, highlight concerns or avail our offerings through a network of channels and platforms like customer portal, mobile application, chatbot on website, customer service call centre, social media platforms etc. Once a query reaches us from any medium, a robust automated workflow in our customer service platform at the backend handles these queries. Majority of the queries of the customers are automated end to end without manual intervention, providing real time resolution to the customer.

Treasury Functions

Our treasury department is responsible for our capital requirements and asset liability management, liquidity management and control, diversifying fund raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in our investment policy. We have obtained financing from a variety of sources including term loans and working capital facilities; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds and insurance companies to meet our capital requirements. We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. Our treasury and finance team periodically submit their reports to our asset liability management committee, which submits its findings to our Board.

Our financing requirements have historically been met from a variety of sources including refinancing from the NHB, term loans and working capital facilities, proceeds from loans assigned, proceeds from the issuance of NCDs, external commercial borrowing; and subordinated debt borrowings from banks, mutual funds, insurance companies and other financial institutions to meet our capital requirements. As of March 31, 2021, our Total Borrowings were ₹130,102.45 million, which comprised 55.19% (₹71,799.21 million) of loans from banks, 16.16% (₹21,027.50 million) of secured non-convertible debentures, 21.10% (₹27,455.97 million) refinance of loans from National Housing Bank, 4.19% (₹5,453.04 million) of proceeds from loans assigned by way of securitization and 3.36% (₹4,366.73 million) of subordinate debt. Further, of September 30, 2021, our Total Borrowings were ₹ 130,639.55 million, which comprised 58.63% (₹ 76,590.62 million) of loans from banks, 11.16% (₹ 14,573.68 million) of secured non-convertible debentures, 18.54%% (₹24,224.13 million) refinance of loans from National Housing Bank, 3.67% (₹ 4,789.62 million) of proceeds from loans assigned by way of securitization and 8.01% (₹ 10,461.50 million) of subordinate debt.

Our Company has assigned loan of ₹ 61,532.68 million by way of assignment which constitute 28.65% of our AUM as of September 30, 2021. Our average cost of borrowings for Half year September 2021 is 8.10 %.

Capital Adequacy Ratios

The RBI Master Directions require HFCs to comply with a capital to risk (weighted) assets ratio, or Capital Adequacy Ratio, consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital may not be less than 13% on or before September 30, 2020; 14% on or before March 31, 2021 and 15% on or before March 31, 2022 of the sum of the HFC's risk-weighted assets and the risk-adjusted value of off-balance sheet items, as applicable, with a minimum requirement of Tier I capital of 10% on risk-weighted assets. Further, the RBI Master Directions require that the Tier II capital may not exceed the Tier I capital.

The following table sets forth certain details of our Capital Adequacy Ratio derived from our Financial Statements, as of the dates indicated:

	As on September 30, 2021	As of		
		March 31, 2021	March 31, 2020	March 31, 2019
Capital Adequacy Ratio	30.75%	22.98%	23.71%	21.02%
Capital Adequacy Ratio – Tier I Capital	21.15%	19.61%	18.35%	15.82%
Capital Adequacy Ratio – Tier II Capital	9.60%	3.37%	5.36%	5.20%

Credit Ratings

Our current credit ratings are set forth below:

Rating Agency	Instrument	Credit Rating
CRISIL	Non-convertible debentures	CRISIL AA/Stable reaffirmed
	Subordinated debt	CRISIL AA/Stable
	Principal protected market linked non-convertible subordinated debentures	CRISIL PP-MLD AAr/Stable reaffirmed
	Long term principal protected market linked debentures	CRISIL PP-MLD AAr/Stable reaffirmed
	Total bank loan facilities rated	CRISIL AA/Stable reaffirmed
	Commercial paper	CRISIL A1+ reaffirmed
ICRA	Commercial paper programme	[ICRA] A1+ reaffirmed
	Non-convertible debenture programme	[ICRA]AA/ Stable reaffirmed
	Subordinate debt programme	[ICRA]AA/ Stable Reaffirmed
	Long term fund based bank lines programme	[ICRA]AA/ Stable Reaffirmed
	Long term principal protected market linked debenture programme	PP-MLD[ICRA]AA/ Stable Reaffirmed
CARE	Non-convertible debentures	CARE AA; Stable [Double A; Outlook: Stable]
Brickworks	Unsecured subordinated non-convertible debentures	BWR AA+ 'Negative'
	Subordinated non-convertible debentures	BWR AA+ 'Negative'
	Secured non-convertible debentures	BWR AA+ 'Negative'

Risk Management Framework

Risk management is integral to the Company's business. We continue to improve our internal policies and implement them

rigorously for the efficient functioning of our business. As a lending institution, we face financial and non-financial risks. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

The Company has a well-defined Risk Management Strategy and a Framework which is designed to identify, measure, monitor and mitigate various type of internal and external risks. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A Board of Directors approved Risk Management Policy has been put in place to establish appropriate systems or procedures to mitigate all material risks faced by the Company.

The company is exposed to different types of risks emanating from both internal and external sources. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Risk Management team, identifies, analyses and takes measures to mitigate risks faced by the Company. The team is guided by the Company's Risk Management Committee and the Senior Management to develop and implement Risk Assurance practices on a pan-organizational basis. The risk management framework institutionalized in the Company is supported by a "Three Lines of Defense" approach. Business functions act as the first line of defense, control functions like Risk Management and Compliance act as second line of defense and the Internal Audit acts as the third line.

As a housing finance company, our Company has to manage various risks associated with the lending business. The major risks include credit risk, operational risk, liquidity risk, market risk and regulatory risk.

Credit Risk

Credit risk refers to risk of loss that may occur from the default by our customers under our agreements. This is inherent and most dominant of the risks in the lending business. We manage credit risks by using a defined set of credit norms, procedures and policies, which are approved by our Board and integrated in our technology platform which reduces the frequency of judgment-based errors. The risk team review of the policies, process and products on an ongoing basis and highlights and suggest changes based on their trend analysis wherever necessary. Our credit team ensures the implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information and loan closure documents and highlight early warning signals and industry developments enabling pro-active field risk management.

We use technology to verify the identity and other loan documents submitted by the borrower along with digital underwriting. This integration of new data sources enables better insights for credit decisions, while real-time data processing, reporting, and monitoring further improves overall risk management capabilities. Our portfolio management uses advanced analytics and machine-learning tools to identify the problematic loans at an early stage. Based on the continuous review mechanism, credit policies and processes are being reviewed and appropriate changes are undertaken. An independent internal audit team conducts regular review of credit files on a sample basis to ensure adherence to the policies.

Further a stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. In order to address and mitigate the operational risks, we have an operational risk management policy in place, which sets out processes and controls that are required to be monitored at different points of time in relation to people, systems and processes. The user access manual defines effective segregation of duties, access, authorisation and reconciliation procedures for employees An effective maker checker mechanism is further put in place to ensure elimination of errors and misuse of the systems in complex set of processes which is constantly monitored by internal audits.

It is as a continuous process which includes risk assessment, decision making, and implementation of controls, which results in acceptance, mitigation or avoidance of risk. To have a preventive vigilance and control the transaction risk, Risk Containment Units have been established at major locations, wherein hind sighting, upfront scrutiny and curbing of

malpractices are undertaken. Operational costs are also reduced as credit processes are digitized. A greater share of time and resources can be dedicated to value-added activities, as inputs and outputs become standardized and paperless.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of capital at an appropriate cost and tenure. We may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of financing an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines.

We monitor liquidity risk through our Asset and Liability Management Committee in line with a well-defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

Our treasury department seeks to maintain flexibility in funding mix by way of sourcing the funds through multiple sources, including banks, financial institutions, money markets, debt markets and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with various banks, mutual funds, financial institutions, insurance companies, the NHB, other domestic and foreign financial institutions and rating agencies, etc.

Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Market risk is managed by investing in accordance with our investment policy which includes implementing stringent controls and limits, regular reporting of positions, regular independent review of all controls and limits, and testing and auditing of all pricing, risk management and accounting systems. The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

- **Interest Rate Risk** - We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our funding sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. Though our interest rate risk remains in sync with our lending and borrowing function, we always try to manage interest rate risk, by optimizing our borrowing profile between short-term and long-term loans. We adopt funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.

- **Foreign Exchange Risk -** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB). The company has limited exposure of foreign exchange risk which is fully hedged The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

- **Price Risk -** Price risk is the risk that the value of a security or investment will decrease. The company uses tools such as sensitivity analysis, price trend analysis etc. to hedge the price risk.

Regulatory Risk

Regulatory risk is the risk that can materially impact a company due to changes in laws and regulations made by the government or a regulatory body like NHB, SEBI etc. It can increase the costs of operating the business, and/or change the competitive landscape. We have a robust corporate governance process in place to ensure that we are compliant with all the applicable laws, rules, regulations and guidelines. The Company makes changes in its systems and practices to realign itself with the changed regulatory framework from time to time as required.

Information Technology

Information Technology at our Company is the core element which drives business growth and forms the backbone of our organization. Information technology is used as a strategic tool which comprises of industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers. With adoption of Digital transformation and Robust IT Framework has enabled organization to improve efficiency, flexibility, increased transparency and serve better customer experience.

With our Industry Standard Systems and adequate security controls, we are constantly achieving business objectives. We are able to manage our nationwide operations efficiently and market effectively to our target customers including round the clock support. Policy and processes are aligned with RBI, NHB Master Directions, ISO 27001 and Industry best practices and industry standard security solutions are implemented to control security and Cyber Risks.

Overall IT setup is also highly scalable to meet urgent business demands as the applications workloads are hosted on cloud which has enough resources and storage capacity in the backend. With Strong and skilled in-house Technology Team along with adoption of robust IT Architecture and agility, business objectives and customer requirements are getting fulfilled with faster roll out of products and services.

Our Company continues to sustain its commitment to the highest levels of quality superior service management, robust information security practices and mature business continuity management. In FY 2021 the Company successfully completed the annual ISO 27001:2013 (ISMS) surveillance audit. We have strengthened our Information and Cyber Security posture and other risk measures to mitigate potential threats, risks and challenges. Security of customer data considered as a paramount importance for the organization. We have also sustained compliance with respect to various applicable laws and regulations from RBI, NHB, CERT-IN in terms of Technology, BCM and Information Security Guidelines.

We believe in skill development for staff and this also been a focus area and various e-learning modules on Technology and other Business areas are enabled for employees via online trainings and mobile applications. We have also adopted Defence in Depth approach to safeguard client information.

Best security controls/best practices are in place to safeguard client information. This includes Next Generation Firewall to secure the network perimeter, Web application Firewall to protect the web applications from security attacks, Brand Protection to protect the abuse of the IIFL brands, DNS Security services to prevent threats to IIFL from DNS levels, Monthly Security Patching of Servers to protect systems from known vulnerabilities, Next Generation Antivirus, Anti-Phishing solutions implemented to protect users from phishing attacks, restricted Endpoint system Accesses and MDM Solutions. Regular VAPT Assessments are done for proactive identification of vulnerabilities in systems and business applications. Robust Business Continuity Framework is in place to manage continuity of business operations during disaster situation.

Sustainability initiatives

We have also formulated ESG Framework which aims at integrating environmental, social, and governance considerations within our business operations. Our sustainability journey is governed by '*Complete Profitability – an ESG initiative*, which is our DNA and a reflection of the 'impact' made through its initiatives towards enrichment and growth of its four pillars of success i.e., Employees, Organization, Society and Environment. The company acknowledges and embraces the United Nations Sustainable Development Goals (UN SDGs) and have aligned its efforts with 4 of the 17 UN SDGs. We believe in being affordable, accessible and sustainable in everything we do. In furtherance of this, we have launched various programmes such as Kutumb and Green Value Partner.

'Kutumb' is a knowledge-sharing platform to create awareness about sustainable development in affordable housing sector in India. It is a thought and a vision of sustainable good living for tomorrow. It brings together designers, architects, green building certification agencies, financial institutions, technology providers and developers for exchange of information and reduction of perceived risks to spearhead inclusion of sustainable design and technology in affordable housing sector.

Green Value Partner – a concept to certification program, is an initiative that supports *'Kutumb'* by partnering with the developers and by hand-holding and supporting them across all stages of the project's lifecycle so as to achieve the desired green rating certification. Under GVP, initiative we have 44 green building project under management as of September 30, 2021.

In March 2021, our company unveiled a Green Handbook for affordable green housing, *'IIFL Home Loans' Building Green*

– *Guide to Sustainable Affordable Housing'*. It is conceived by IIFL and renowned architect Ashok B. Lall. The handbook provides housing loan consumers, builders and the construction ecosystem with a suggestive framework for building green housing. The handbook provides step-by-step guidance on understanding green rating systems in India and integrated design. This handbook is the company's contribution towards green affordable housing in India.

Intellectual Property

Our intellectual property includes licenses and domain registrations associated with our business. Our Company has entered into a trademark license agreement with IIFL Securities Limited dated April 12, 2021. Pursuant to which, IIFL Securities Limited has granted our Company with a non-exclusive right and license to use the trademark, service mark and logos pertaining to "IIFL". The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the trademark license agreement.

Marketing

Given the demographics and spread of our target audience, we connect with prospective customers through our local outreach and social media efforts and engagement. We undertake activities such as local market activations, local branding and promotional activities through wall paintings, RWA activations, branch branding, etc. Additionally, we also provide branded merchandise to our partners/salesforce to create a stronger recall with the target audience.

We use our social media handles extensively to communicate and engage with our prospective/existing customers for promoting our services and offerings. We use the handles also for updating customers regarding any new product or service offering. In addition to social media, our website is used extensively for sourcing of new leads/business at a lower cost.

We also extensively utilise public relations initiatives to create awareness amongst our target audience and stakeholders, which aids in creating a stronger goodwill and brand equity in the market.

Competition

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs, small finance banks as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, interest rates, fees and customer service, turnaround time and simple, transparent and efficient loan process as well as for skilled employees, with our competitors.

See "Risk *Factors – Internal Risk Factors - The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business and results of operations.*" on page 52.

Insurance

Our Company has insured its various properties and facilities against the risk of fire, burglary, breakdown of office equipment, risk of financial loss due to fraud and other perils including public liability which covers the legal liability arising out of third party bodily injury or third-party property damage in company premises. Our Company has obtained money policy to cover "money in safe and till counter and money in transit" for the branches and various offices.

Our Company also has in place a group mediclaim policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

For a discussion of certain risks relating to our insurance coverage, please refer to the section titled "*Risk Factors" - Internal Risks and Risks Associated with our Business - Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position."* on page 51.

Employees

As of September 30, 2021 we had 1,952 employees. We recruit after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. Our learning and development programs and a third party application help our employees build their skills, in the most suitable and easy of bite-sized-learning on the fly, helping them in their transformation journey. This is in addition to the mandatory trainings that all our employees undergo every year, which includes training on anti-money laundering, data security, prevention of sexual harassment, anti-corruption, etc. Because of our open, inclusive workplace culture,

policies and employees at large, we are Great Place to Work® certified consistently for the past three years.

The following table sets forth the function wise split of our employees, as of September 30, 2021:

Function	Number of employees
Sales	1239
Credit	204
Legal and technical	83
Collections	217
Operations	41
Support function	168
Total	**1952**

Corporate Social Responsibility

The Corporate Social Responsibility ("CSR") Committee of the Board has formulated and recommended to the Board a CSR Policy indicating the CSR activities which can be undertaken by the Company. The CSR projects of the Company are steered by the same values that guide the business of IIFL Group Companies. Most of the activities are undertaken through India Infoline Foundation (generally referred to as "**IIFL Foundation**"), a CSR arm of the IIFL Group. On the social front, IIFL Foundation (the CSR arm of the group) has undertaken many initiatives for community welfare. By applying these values to the CSR projects, Home Finance Limited undertakes initiatives that empower underprivileged sections of society and create sustainable growth. The focus area of the Company has been Literacy initiative for Females, Crèche cum Learning Facility for children of labourers at Construction site, Support to Educational Research Programs, Fight against outbreak of COVID-19 pandemic, Promoting Education of the under privileged Livelihood. During the last Fiscal, the Company made a contribution of ₹ 5 million to the PM Cares Fund.

We have incurred ₹79.06 million, ₹63.48 million and ₹36.05 million in Fiscals 2021, 2020 and 2019 on various CSR activities.

Set forth below are details of some of our key CSR initiatives:

Project	States	Project Focus
Fiscal 2021		
Sakhiyon ki Badi	Rajasthan	Through IIFL Foundation
Chouras – learning centre for children of construction workers	Uttar Pradesh	Through IIFL Foundation
Community Schools – Seva Kutir	Madhya Pradesh	Through IIFL Foundation
International Foundation for Research and Education	India	Through IIFL Foundation
Digital Learning Tools	Rajasthan	Through IIFL Foundation
Livestock Development Programme	Karnataka	Through IIFL Foundation
Environmental Sustainability Initiatives	Uttar Pradesh, New Delhi	Direct
Fiscal 2020		
Eradicating child illiteracy - education	Rajasthan	Through India Infoline Foundation
Financial literacy	West Bengal	Through India Infoline Foundation
Environmental sustainability	Gujarat, Karnataka, Telangana	Direct
Health initiative- arogya	Rajasthan	Through India Infoline Foundation
Livestock development programme	Rajasthan, Karnataka	Through India Infoline Foundation
Water conservation	Maharashtra	Through India Infoline Foundation
Disaster relief	Odisha	Through India Infoline Foundation
Covid 19	India	Through India Infoline Foundation
Fiscal 2019		
Chouras – learning centre for children of construction workers	Uttar Pradesh, Maharashtra	Through India Infoline Foundation
Eradicating girl child illiteracy - education	Rajasthan	Through India Infoline Foundation
Health initiative- hearing aid	Maharashtra	Through India Infoline Foundation
Health initiative- health support to poor farmers	Uttar Pradesh, Maharashtra	Through India Infoline Foundation
Financial literacy and inclusion	West Bengal	Through India Infoline Foundation

Project	States	Project Focus
Water conservation	Maharashtra	Through India Infoline Foundation
Education support to children from slums	Maharashtra	Through India Infoline Foundation

Properties

Our registered office, which is located at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India, is on leased premises, and our corporate office which is located at Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122 015, India, has been taken on a leave and license basis. As of September 30, 2021, we conducted our operations through 127 branches and the premises of all our branches have been taken on a lease or leave and license basis.

Key terms of Material Agreements and Material Contracts

Other than the below-mentioned agreements, our Company has not entered into material agreements and material contracts which are not in the ordinary course of business, in the last two years.

1. *Slump sale of Mortgage Loan Business from IIFL Finance Limited*

   The Company entered into a business transfer agreement dated June 29, 2019 ("**BTA**") with IIFL Finance Limited (formerly known IIFL Holdings Limited) ("**IIFL Finance**") pursuant to the IIFL Finance's decision to exit the line of business. Our Company took over the housing finance loan and loan against property business of the IIFL Finance, as a going concern by way of a slump sale.

   Under the BTA, IIFL Finance shall in one or more tranches:

   i. Transfer and deliver all such assets comprising the business undertaking;
   ii. Deliver all the employee information and offer employment and retention benefits to the employees and inform them of the transfer of their employment to our Company;
   iii. Transfer the outstanding credit enhancement obligations to the Company, assignment of receivables and non-performing assets under the customer contracts;
   iv. Service provider contracts would be assigned and where consent is received letters of novation would be executed;
   v. All collection and pay out services would be transferred to our Company; and
   vi. Clean-up call option would be transferred to our Company.

   The transfer of outstanding credit enhancement obligations, service provider contracts, collection and pay out services would require consent to be taken by the parties from the assignees, trustees, investors, service providers and such other parties involved. On the receipt of such consent the letters of novation would be executed wherever required.

2. *Trademark License Agreement*

   The Company ("**Licensee**") entered in to a trademark license agreement dated April 12, 2021 ("**Trade License Agreement**") with IIFL Securities Limited ("**Owner/Licensor**"). Pursuant to such Trademark License Agreement, the Licensor has agreed to transfer non-exclusive rights and license to the Licensee and the Licensee shall continue to use the trademark, service mark and logos pertaining to "***IIFL Home Loan***", for a one-time fee payable to the Licensor, as set out therein. The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the Trademark License Agreement. Further, the Trademark License Agreement contains the customary provisions relating to the protection of the intellectual property, warranties, indemnities and termination.

Subsidiary Companies

IIHFL Sales Limited is wholly owned subsidiary of IIFL Home Finance Limited which was incorporated on September 28, 2021. Financial Statements as on September 30, 2021 have not been prepared by the Subsidiary.

Associate Company

IIFL Samasta Microfinance Limited is our Associate Company.

Awards and Accolades

During the year 2020, the Company received the following awards and accolades:

1. Best Affordable Housing Finance Company of the Year by ET Now;

2. Best Housing Finance Company of the Year by ET Now;

3. Developing Sustainable Strategies by ET Now;

4. Winner, Most Innovative Use of Social & Digital Media at 6th StratComm Asia Summit & Awards 2020 by Inventicon

Business Intelligence;

5. Kutumb CSR Initiative of the Year at Global Marketing Excellence Awards 2020;

During the year 2021, the Company received the following awards and accolades:

1. Housing Finance of the Year by Global Real Estate Congress; and
2. Best BFSI Brands 2021 by The Economic Times.
3. Sustainability Initiative of the year – Sustainability Awards 2021 by Business Intelligence Group.
4. Green Brand Of The Year - IAA Olive Crown Awards 2021 by International Advertising Association.
5. Inn-Tech 2021 Innovation And Technology Awards by Inkspell Media Solutions.
6. Business Leader Of The Year Awards 2021 by World leadership congress & awards.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the provisions of the Memorandum of Association, Articles of Association and the requirements of the applicable laws.

The Articles of Association of our Company require that our Board comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. As on date of this Tranche II Prospectus, our Company has seven Directors, out of which one Director is an Executive Director and six Directors are Non-Executive Directors. Out of the five Non-Executive Directors, four are Independent Directors.

The following table sets forth details regarding the Board as on the date of this Tranche II Prospectus:

Details relating to Directors as on the date of this Tranche II Prospectus

Name, Designation, DIN, Nationality, Occupation and Term of Appointment	Age (years)	Address	Date of Appointment	Other Directorships
S Sridhar **Designation:** Chairman and Independent Director **DIN:** 00004272 **Nationality:** Indian **Occupation:** Professional **Term of Appointment:** Five Years w.e.f. April 1, 2019	70	D-905, Ashok Towers, Dr. S Rao Road, Parel, Mumbai – 400 012, Maharashtra, India.	Appointed as Additional Director on October 01, 2013, and was confirmed as Independent Director on May 20, 2014. Reappointed as Independent Director on March 22, 2019, w.e.f. April 1, 2019.	1. BSV Associates LLP 2. Jubilant Pharmova Limited 3. Strides Pharma Science Limited 4. Shriram Transport Finance Company Limited 5. Essfore Consultancy Services Private Limited 6. Evyavan Capital Advisors Limited 7. Evyavan Capital Limited 8. Evyavan Asset Management Limited 9. Strategic Research And Information Capital Services Private Limited 10. GVFL Trustee Company Private Limited 11. Universal Trustees Private Limited 12. India Mortgage Guarantee Corporation Private Limited 13. Go Fashion (India) Ltd 14. BSE Administration & Supervision Limited
Nirmal Jain **Designation**: Non-Executive Director **DIN**: 00010535 **Nationality:** Indian **Occupation:** Business **Term of Appointment:** Retirement by rotation	55	101-A, Ashok Guruprasad CHS Limited, Hanuman Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India	Appointed as Director since Incorporation i.e., December 26, 2006	1. IIFL Finance Limited 2. IIFL Wealth Management Limited 3. MNJ Consultants Private Limited 4. Pratham Education Foundation

Name, Designation, DIN, Nationality, Occupation and Term of Appointment	Age (years)	Address	Date of Appointment	Other Directorships
R. Venkataraman **Designation**: Non-Executive Director **DIN**: 00011919 **Nationality:** Indian **Occupation:** Service **Term of Appointment:** Retirement by rotation	54	604, Glen Heights, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra, India.	Appointed as Director since Incorporation i.e., 26 December 2006	1. IIFL Finance Limited 2. IIFL Wealth Management Limited 3. IIFL Asset Management Limited 4. IIFL Management Services Limited 5. IIFL Securities Limited 6. Orpheus Trading Private Limited
Kranti Sinha **Designation:** Independent Director **DIN:** 00001643 **Nationality:** Indian **Occupation:** Professional **Term of Appointment:** Five Years w.e.f. April 1, 2019	79	Flat No. 3, 2nd Floor, Jeevan Sangram CHSL, Plot No.24, Sector 2, Charkop, Kandivali (West), Mumbai-400067, Maharashtra, India.	Appointed as Additional Director on October 01, 2013, and was confirmed as Independent Director on May 20, 2014. Reappointed as Independent Director on March 22, 2019, w.e.f. April 1, 2019	-
Monu Ratra **Designation**: Executive Director & Chief Executive Officer **DIN**: 07406284 **Nationality**: Indian **Occupation**: Professional **Term of Appointment:** Five Years w.e.f. January 28, 2021	48	E194, The Icon, DLF Phase V, Gurgaon, Haryana 122002	Appointed as Additional Director & Executive Director on January 28, 2016 and was appointed as Director on February 12, 2016 by the shareholders. Reappointed as Director on January 28, 2021	1. IIFL Samasta Microfinance Limited
A. K. Purwar **Designation:** Independent Director **DIN:** 00026383 **Nationality:** Indian **Occupation:** Professional **Term of Appointment:**	75	C-2303/4, Flr-23, Ashok Tower, Dr SS Rao Road, Parel, Mumbai – 400 012, Maharashtra, India.	Appointed as Additional (Independent) Director on August 22, 2019. Regularized as Independent Director on September 27, 2019 by the Shareholders	1. Alkem Laboratories Limited 2. Jindal Steel and Power Limited 3. IIFL Finance Limited 4. Balaji Telefilms Limited 5. Energy Infratech Private Limited 6. ONGC Tripura Power Company Limited 7. Mizuho Securities India Private Limited 8. Eroute Technologies Private Limited

Name, Designation, DIN, Nationality, Occupation and Term of Appointment	Age (years)	Address	Date of Appointment	Other Directorships
Five Years w.e.f. August 22, 2019				
Mohua Mukherjee **Designation:** Independent Director **DIN:** 08714909 **Nationality:** Indian **Occupation:** Professional **Term of Appointment:** Five Years w.e.f. August 26, 2021	59	#515, 3rd A Cross, Opp 2nd Main, Opp Ganesha Temple, RMV Extension, 2nd Stage, 3rd Block, Bangalore North Bangalore Karnataka 560094	Appointed as Additional (Independent) Director on August 26, 2021. Regularized as Independent Director on September 30, 2021 by the Shareholders	1. Maanaveeya Development & Finance Private Limited

Profiles of Directors

Srinivasan Sridhar is the Chairman and an Independent Director on our Board of Directors. He holds a bachelor's degree in science from Bangalore University and a master's degree of science in physics from the Indian Institute of Technology, Delhi. He has previously worked in the banking and finance industry and has held several positions in retail, corporate, and export / import banking, including as the chairman of the National Housing Bank and Central Bank of India. While he was chairman and managing director of the National Housing Bank, he was responsible for a number of initiatives, such as the NHB Residex, Rural Housing Fund, and Reverse Mortgage for senior citizens. Prior to this, he was associated with the Export Import Bank of India as executive director. He is a certified associate of the Indian Institute of Bankers and was conferred with honorary fellowship of the Indian Institute of Banking and Finance in recognition of his contribution in the field of banking and finance.

Nirmal Jain is a Non-Executive Director on our Board of Directors and was one of the first Directors of our Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited. He founded IIFL group in 1995. It started as an independent equity research company in India. Over the last 25 years, he has led the expansion of the group, while remaining focused on financial services. The group through four listed entities, has leading presence in India's Wealth & Asset management, consumer lending, securities trading & discount Broking spaces. With an impeccable track record of governance and growth, the group has attracted marquee investors and won accolades internationally. He is currently also the chairman of IIFL Finance Limited, the promoter of our Promoter.

Venkataraman Rajamani is a Non-Executive Director on our Board of Directors. He holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in July 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the group over the past 21 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW. He worked as an Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 29 years in the financial services sector. He is currently also the managing director and one of the promoters of our Promoter.

Kranti Sinha is an Independent Director on our Board of Directors. He has significant experience in the insurance and housing finance industries. In the past, he served as the director and chief executive of LIC Housing Finance Limited, while concurrently serving as the managing director of LICHFL Care Homes Limited. He was also the deputy president of the Governing Council of the Insurance Institute of India and was a member of the Governing Council of the National Insurance Academy.

Monu Ratra is an Executive Director on our Board of Directors and is the Chief Executive Officer of our Company. He holds a bachelor's degree in architecture from Guru Nanak Dev University and a master's degree in Post Graduate Diploma in Management from Lal Bahadur Shastri Institute of Management, Delhi. He has significant experience in the financial services industry. Prior to joining our Company, he worked with Indiabulls Housing Finance Limited as national business

manager where he was responsible for setting up, and managing, the retail home loan business along with the home equity business. He has also previously worked with ICICI Bank Limited and HDFC Bank Limited.

Arun Kumar Purwar works as Chairman of Eroute Technologies Private Limited, a fintech Co. He also works as an Independent Director in Companies across diverse sectors like power, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ("**SBI**") from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and has been associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the CEO of the year award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006.

Mohua Mukherjee is an Independent Director on our Board of Directors. She is a professional with over three decades of experience in development economics and has worked with World Bank in Washington DC and has led policy dialogue and formulated investment projects in relation to the UN's Millennium Development Goals and later the Sustainable Development Goals. She has led the India Solar Energy Team of the World Bank and designed the US$640 million blended-finance Solar Rooftops project with the State Bank of India. She has also worked for Citibank and ABN Amro in Kenya. She is currently a World Bank consultant and she is Advisor to the India Smart Grid Forum. She has a Bachelor's and Master's Degree in Economics, with distinction, and a Master of Business Administration degree in International Finance, all from Boston University. She also has a certificate in Public Private Partnerships from the Harvard Kennedy School.

Other understandings and Confirmations

No Director of our Company is a director or is otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors have been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

None of our Directors have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Compensation of Directors

The Nomination and Remuneration Committee ("**NRC**") determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. The whole-time Directors of our Company are interested to the extent of remuneration paid for services rendered, if any, as an officer or employee of our Company. The Non-Executive Non-Independent Directors are not paid any sitting fees and commission. Pursuant to a resolution passed by our Board of Directors at their meeting held on July 24, 2021, sitting fees payable to Non-Executive Independent Directors for attending the meetings of the Board and Committees are, as under:

Meeting	Amount (in ₹)
Board meeting	50,000
Audit Committee meeting	50,000
Other Committees except CSR committee	30,000
CSR committee	Nil

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites) for the half year ended September 30, 2021 and last three Fiscals which has been paid to the existing Directors by our Company:

(₹ in million)

Name	H1 ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Monu Ratra	37.47	28.13	48.48	42.60

Name	H1 ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Kranti Sinha	1.33[#]	0.57	0.48	0.39
Srinivasan Sridhar	1.42[#]	1.69	1.51	1.30
Suvalaxmi Chakraborty**	1.15[#]	1.45	0.91	0.06
Arun Kumar Purwar*	0.15	0.33	0.12	-
Mohua Mukherjee***	0.00	-	-	-

** Arun Kumar Puwar was not paid any remuneration in Fiscals 2019 , since he was appointed as a Director on our Board on August 22, 2019.*

*** Suvalaxmi Chakraborty resigned as an Independent Director on June 15, 2021*

**** Ms. Mohua Mukherjee appointed as an Independent Director w.e.f. August 26, 2021*

 # Remuneration details for H1FY22 to Suvalaxmi Chakraborty, Kranti Sinha and Sridhar includes commission of ₹1 million each for the Fiscal 2021 which was paid to them in the month of June 2021.

Our Directors have not received any remuneration from Associate company.

Details of the appointment and remuneration of the Whole Time Director

The terms of remuneration of the Executive Directors are as below:

1. Monu Ratra

Monu Ratra was appointed as the CEO and Executive Director of our Company pursuant to the resolution passed of our Board on January 28, 2016. His appointment was confirmed by the Shareholders pursuant to their resolution dated February 12, 2016, for a period of five years. The Board of Directors approved his re-appointment for a further period of 5 years in its meeting held on January 23, 2021, as his term was expired on January 27, 2021. Further, the Members of the Company confirmed his re-appointment w.e.f January 28, 2021, at their extra ordinary general meeting held on January 28, 2021. The current terms of his appointment are detailed below:

Particulars	Terms of Remuneration
Basic Salary (w.e.f. January 28, 2021)	Upto ₹ 3,00,00,000 p.a.
Benefits, perquisites and allowances	In addition to above, he shall be entitled to claim reimbursement of expenses on account of home furnishing, residence telephones, entertainment, professional development and travelling, reimbursement of the education expenses of his children and other and other medical expenses incurred in the normal course of Company's business, medical expenses incurred for self and his family, including premium for medical insurance. Other benefits shall be subject to maximum of ₹ 4,95,000 per month.
Bonus/Performance Linked Incentive/Commission	As permissible under the Companies Act, 2013 and as determined by the Board and Nomination and Remuneration Committee from time to time. In additional, he shall be eligible for contribution to the provident funds, gratuity and superannuation and leave encashment as per rules of the Company.
Performance Bonus	During Fiscal 2021, he was paid performance bonus of ₹ 1,07,00,004
Other terms of appointment	i. He shall not be paid any sitting fee or any other salary for attending meeting of the Board of Directors or Committees thereof ii. In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Monu Ratra as a minimum remuneration, subject to provisions of the Companies Act, 2013.

Terms of Appointment of Independent Directors

The Independent Directors were appointed in terms of the provisions of Section 149 of the Companies Act, 2013 and other relevant provisions of the Act. The Independent Directors shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Companies Act, 2013 and duties of directors as provided in the Act (including Section 166) as may be applicable from time to time.

The following are the terms and conditions for the Independent Directors of the Company:

1. Appointment

Appointment will be for a term of five years from the date of appointment unless terminated earlier or extended, as per

the provisions of this letter or applicable laws ("Term"). Independent Director will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Independent Director's re appointment would be considered by the Board based on the outcome of the performance evaluation process and Independent Director continuing to meet the independence criteria.

2. Role, duties and responsibilities:

As member of the Board, Independent Director along with the other Directors will be collectively responsible for ensuring the objectives of the Board which include:

a. The Company ensuring the requirements under the Companies Act, 2013

b. Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, if applicable

c. Accountability under the Directors' Responsibility Statement,

d. Overseeing the maintenance of high standards of company's values and ethical conduct of business,

e. Reviewing the business plan, model and monitoring the action plan,

f. Overseeing the Company's contribution to enhancing the corporate social responsibility,

g. Act not in a manner that unfairly obstructs the functioning of the board and its committees,

h. Strive to attend all meetings of the board and its committees,

i. Independent Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be applicable from time to time.

3. Time Commitment

Independent Director shall devote such time as is prudent and necessary for the proper performance of Independent Director's role, duties and responsibilities as an Independent Director.

4. Remuneration

a. Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees of which Independent Director are a member as fixed by the Board from time to time. In addition to the sitting fees, Independent Director may be eligible for commission as may be decided by the Board subject to the necessary approval of the shareholders of the Company.

b. Further, the Company may pay or reimburse the Independent Director such reasonable travel, hotel or other related expenditure, as may have been incurred by you while performing Independent Director's role in the Company. This could include reimbursement of expenditure incurred by Independent Director for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

5. Insurance

The Company has obtained Directors' and Officers' Liability Insurance policy and Independent Director will be covered under the same.

6. Code of Conduct

Independent Director agree to comply with the Code of Conduct for Non-Executive Directors (NEDs). For reference, the Code of Conduct for Non-Executive Directors is outlined below:

a. Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,

b. Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,

c. Non-Executive Directors will strictly safeguard the confidentiality of all information received by them by virtue of their position.

d. Unless specifically authorised by the Company, Independent Director shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

e. Independent Director obligation of confidentiality shall survive termination or cessation of Independent Director's directorship with the Company.

f. Applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, Independent Director shall not participate in any business activity which might impede the application of the Independent Director's independent judgment in the best interest of the Company. Independent Director are required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

7. Familiarization program

The Company shall, if required, conduct formal familiarization program for its Independent Directors.

8. Performance Appraisal / Evaluation Process

As a member of the Board, Independent Director's performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors.

The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

9. Disclosures, other directorships and business interests

During the Term, Independent Directors agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. Independent Director also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with Independent Director's existing directorships.

Further, Independent Directors are required to obtain prior consent of the Company in case Independent Director intents to join the board of any companies engaged in the same sphere of activities that of IIFL group.

During the term, Independent Director agrees to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect the status as an Independent Director.

10. Changes of personal details

During the term, Independent Director shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

11. Termination

The directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, the directorship may be terminated in case of violation of any provision of the Code of Conduct as applicable to Non-Executive Directors.

Independent Director may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by Independent Director in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect the status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, Independent Director agrees to promptly submit your resignation to the Company with effect from the date of such change.

12. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on Independent Director's part during the Term, Independent Director agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

13. Miscellaneous

This letter represents the entire understanding, and constitutes the whole agreement, in relation to Independent Director appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by Independent Director and the Company.

As per the provisions of the Companies Act, 2013, the terms along with Independent Director's detailed profile shall be disclosed on the website of the Company.

Relationship with other Directors

None of the Directors of our Company are related to each other. None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

Borrowing powers of the Board

Pursuant to resolution passed by the shareholders of our Company at their meeting held on November 12, 2018, in accordance with provisions of section180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 190,000 million, provided that the total amount so borrowed shall be within the limits as prescribed under the NHB Directions.

Interest of Directors

None of our Directors has been paid any consideration of any nature from our Company, other than their remuneration and sitting fees as highlighted above.

Further, other than Monu Ratra who is interested in our Company by virtue of his shareholding in our Company as a nominee shareholder, no other Director has any other interest in our Company. For further details see related party transaction in the chapter "*Financial Information*" on page 185.

Our Directors do not have any interest in any transaction relating to property completed by our Company within the two years preceding the date of filing of this Tranche II Prospectus, or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Other than Nirmal Jain and R. Venkataraman, who are interested in our Company by virtue of their shareholding in IIFL Finance Limited (formerly known as IIFL Holdings Limited) being the directors of IIFL Finance Limited (formerly known as IIFL Holdings Limited), none of the Directors are interested in connection with the promotion of our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

All our directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as otherwise stated in this Tranche II Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Tranche II Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements and which may be entered into with them.

Some of the Directors may be deemed to be interested to the extent of any loans or advances provided to, or received from, any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

As of March 31, 2021, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

Additionally, some of our Directors have an interest in other ventures and hold directorship in the following companies, which are involved in any activities similar to those conducted by our Company:

Sr. No.	Name of Director	Directorship in other Companies which have similar business activities
1.	S. Sridhar	Shriram Transport Finance Company Limited
2.	Nirmal Jain	IIFL Finance Limited
3.	R. Venkataraman	IIFL Finance Limited
4.	Monu Ratra	IIFL Samasta Microfinance Limited
5.	Arun Kumar Purwar	IIFL Finance Limited
6.	Mohua Mukherjee	Maanaveeya Development & Finance Private Limited

Shareholding of Directors, including details of shares held by Directors as on September 30, 2021:

Other than as stated below, none of our Directors hold any Equity Shares as on September 30, 2021:

	Name of Directors	Shareholding
1.	S. Sridhar	-
2.	Kranti Sinha	-
3.	Arun Kumar Purwar	-
4.	Nirmal Jain	-
5.	R. Venkatraman	-
6.	Mohua Mukherjee	-
7.	Monu Ratra*	100 equity shares

** Monu Ratra holds 100 equity shares of the Face Value of ₹ 10 each as a nominee of IIFL Finance Limited (formerly known as IIFL Holdings Limited).*

None of our Directors hold any qualification shares in our company as on September 30, 2021.

Shareholding of Directors in subsidiaries, joint ventures and associates

Our directors do not hold any shares in our subsidiary and associate.

Debenture holding of directors

As on September 30, 2021, none of our directors hold any debentures of our Company, except as provided below:

Sr. No.	Name of the Director	Date of transaction	Nature of NCD	Face Value (In ₹)	Number of NCDs Purchased	Number of NCDs Sold
1.	Kranti Sinha	August 5, 2021	Unsecured NCDs	1000	2000	Nil

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. The Company is in compliance with applicable corporate governance norms.

Appointment of any relatives of Directors to an office or place of profit

As on the date of this Tranche II Prospectus, our Company has not appointed any relative of our Directors to an office or place of profit.

Changes in the Directors of our Company during the last three years

The changes in the Board of Directors of our Company in the three years preceding the date of the Tranche II Prospectus are as follows:

Name, Designation and DIN	Date of Resignation/ Appointment	Director of the Company since (in case of resignation)	Remarks
Sumit Bali **Designation:** Non-Executive Director **DIN:** 02896088	June 23, 2020	August 1, 2018	Resigned
Suvalaxmi Chakraborty **Designation:** Independent Director **DIN:** 00106054	June 15, 2021	August 1, 2018	Resigned
Mohua Mukherjee **Designation:** Additional Director (Independent) **DIN:** 00106054	August 26, 2021	-	Appointment as Additional Director
S. Sridhar **Designation:** Chairman and Independent Director **DIN:** 00004272	April 1, 2019	-	Re-appointed as Independent Director
Kranti Sinha **Designation:** Independent Director **DIN:** 00001643	April 1, 2019	-	Re-appointed as Independent Director
Arun Kumar Purwar **Designation:** Independent Director **DIN:** 00026383	August 22, 2019	-	Appointed as Independent Director
	September 27, 2019	-	Confirmed as Independent Director

Key managerial personnel of our Company

In addition to Monu Ratra, our CEO and Executive Director, following are the Key Managerial Personnel of our Company:

Amit Kumar Gupta is the Chief Financial Officer of our Company. He joined our Company with effect from April 15, 2015. Mr. Gupta was appointed as chief financial officer with effect from May 6, 2015. He holds a bachelor's degree

in commerce from Delhi University. He is a Chartered Accountant. He also holds a diploma in information system audit from the ICAI. He secured the 43rd rank in the Final examination conducted by the ICAI. He has significant experience in the fields of financial services, accounting, audit, and compliance. He has previously worked with Satin Creditcare, Shubham Housing Development Finance and SMC Global Securities, among others. His gross remuneration for Fiscal 2021 was ₹ 6.26 million. He is a permanent employee of our Company.

Ajay Jaiswal is the Company Secretary and Compliance Officer of our Company. He joined our Company with effect from March 11, 2015 as Head Compliance. He was appointed as Company Secretary of the Company with effect from March 30, 2015. He is member of the Institute of Company Secretaries of India and a law graduate. Mr. Jaiswal holds a degree of Master of Business Administration from University of Delhi. He has significant experience in the fields of compliance, legal, secretarial, environment, social and governance and internal controls. He has previously worked with Edelweiss Housing Finance Limited, Habitat Housing Finance Limited, Deutsche Post Bank Home Finance Limited and Marvel Vinyls Limited. His gross remuneration for Fiscal 2021 was ₹ 6.40 million. He is a permanent employee of our Company.

Bonus or profit – sharing plan of the Key Managerial Personnel

As on the date of this Tranche II Prospectus, our Company does not have any bonus or profit sharing plan for our Key Managerial Personnel separately. The bonus plan is same as that of for other employees.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his employment in our Company.

Shareholding of our Key Managerial Personnel

Other than as stated below, none of our Key Managerial Personnel hold any Equity Shares as on September 30, 2021:

Names of Directors	Number of Equity Shares held
Monu Ratra*	100
Amit Kumar Gupta*	100

** Equity Shares held as a nominee of IIFL Finance Limited (formerly known as IIFL Holdings Limited).*

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

Audit Committee

The Audit Committee was constituted on October 23, 2009 and last re-constituted on May 13, 2019. The terms of reference of the Audit Committee were most recently revised on October 23, 2019. The members of the Audit Committee are:

Name of the member of the committee	Position on the committee	Designation
Srinivasan Sridhar	Chairman	Chairman and Independent Director
Kranti Sinha	Member	Independent Director
Venkataraman Rajamani	Member	Non-Executive Director
Suvalaxmi Chakraborty*	Member	Independent Director

** Suvalaxmi Chakraborty resigned as an Independent Director on June 15, 2021.*

The terms of reference of the Audit Committee are as follows:

a. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
b. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
c. Examination of the financial statement and the auditors' report thereon;
d. Approval or any subsequent modification of transactions of the Company with related parties;

e. Scrutiny of inter-corporate loans and investments;
f. Valuation of undertakings or assets of the Company, wherever it is necessary;
g. Evaluation of internal financial controls and risk management systems;
h. Monitoring the end use of funds raised through public offers and related matters;
i. Appointment of Internal Auditor.
j. The Audit Committee have such powers and it performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by Securities and Exchange Board of India, National Housing Bank and other regulators from time to time; and
k. The Audit Committee have such powers and it performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by National Housing Bank from time to time

Risk Management Committee

The Risk Management Committee was initially constituted on April 24, 2010, as the 'Risk Management and Asset Liability Management Committee'. The 'Risk Management and Asset Liability Management Committee' was then separately reconstituted as the separate Risk Management Committee and the Asset Liability Management Committee on October 24, 2013. It was last re-constituted on January 23, 2021. The terms of reference of the Risk Management Committee were most recently revised on October 23, 2019. The members of the Risk Management Committee are:

Name of the member of the committee	Position on the committee	Designation
Kranti Sinha	Chairman	Independent Director
S. Sridhar	Member	Chairman and Independent Director
Amit Kumar Gupta	Member	Chief Financial Officer
Govind Modani	Member	Head - Treasury
Abhishikta Munjal	Member	Chief Risk Officer

The terms of reference of the Risk Management Committee are as follows:

a. To identify the various types of risks involved in the business,
b. To define the methodology to measure / quantify the risks,
c. To control and mitigate the variety of risks involved in business,
d. To specify the risk tolerance of the Company,
e. To ensure regulatory and statutory compliance on risk management and prudential norms,
f. To improve the assets quality of the Company by using risk management tools,
g. To maximize the profit of the Company,
h. To maximize the return on equity with an acceptable level of risk, for the purpose of protecting, preserving and increasing the net worth of the Company.

Asset Liability Management Committee

The Asset Liability Management Committee was initially constituted on April 24, 2010 as the 'Risk Management and Asset Liability Management Committee'. The 'Risk Management and Asset Liability Management Committee' was then separately reconstituted as the separate Risk Management Committee and the Asset Liability Management Committee on October 24, 2013. It was last re-constituted on July 18, 2020. The terms of reference of the Asset Liability Management Committee were most recently revised on October 23, 2019. The members of the Asset Liability Management Committee are:

Name of the member of the committee	Position on the committee	Designation
Monu Ratra	Chairman	CEO and Executive Director
Nirmal Jain	Member	Non-Executive Director
R. Venkataraman	Member	Non-Executive Director

The terms of reference of the Asset Liability Management Committee are as follows:

a. liquidity risk management;
b. management of market risks;
c. funding and capital planning;
d. profit planning and growth projection; and
e. forecasting and analysing 'what if scenario' and preparation of contingency plans.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on January 28, 2015. The terms of reference of the Nomination and Remuneration Committee were most recently revised on October 23, 2019. The members of the Nomination and Remuneration Committee are:

Name of the member of the committee	Position on the committee	Designation
Kranti Sinha	Chairman	Independent Director
Srinivasan Sridhar	Member	Chairman and Independent Director
Venkataraman Rajamani	Member	Non-Executive Director

The terms of reference of the Nomination and Remuneration Committee are as follows:

a. identify persons who are qualified to become directors and who may be appointed in senior management recommend to the Board their appointment and removal;
b. carry out evaluation of every director's performance;
c. formulate the criteria for determining qualifications, positive attributes and independence of a director;
d. recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and
e. to devise policy on:
   - remuneration including any compensation related payments of the Directors, Key Managerial Personnel and other employees and recommend the same to the Board of the Company; and
   - Board diversity laying out an optimum mix of Executive, Independent and Non-Independent Directors keeping in mind the needs of the Company.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on March 29, 2014 and last re-constituted on October 21, 2021. The terms of reference of the Corporate Social Responsibility Committee were most recently revised on October 23, 2019. The members of the Corporate Social Responsibility Committee are:

Name of the member of the committee	Position on the committee	Designation
Venkataraman Rajamani	Chairman	Non-Executive Director
Monu Ratra	Member	CEO & Executive Director
Kranti Sinha	Member	Independent Director
Mohua Mukherjee	Member	Independent Director

** Mohua Mukherjee appointed as a member on the CSR Committee w.e.f. October 21, 2021*

The terms of reference of the Corporate Social Responsibility Committee are as follows:

a. consider any matters relating to the social, charitable, community and educational activities, expenditures and related publications of the Company and its subsidiary companies that it determines to be desirable. In addition, the CSR Committee shall examine any other matters referred to it by the Board.
b. maintain the Company's CSR policy framework (e.g. environment, human rights and responsible business conduct) in line with best practice and the appropriate international standards and guidelines;
c. receive reports and review activities from executive and specialist groups managing CSR matters across the Company's operations; and
d. consider and propose an annual budget for CSR activities to the Board.

Environmental Social Governance Committee (ESG Committee)

The Environment Social Governance Committee was constituted on June 10, 2021. The committee was re-constituted on August 26, 2021. The members of the ESG Committee are:

Name of the member of the committee	Position on the committee	Designation
S Sridhar	Chairman	Independent Director
Monu Ratra	Member	CEO & Executive Director
Mohua Mukherjee	Member	Independent Director
Ajay Jaiswal	Member	Head- Compliance

Name of the member of the committee	Position on the committee	Designation
Apoorv Kaushik	Member	Lead – ESG
Abhishikta Chadda Munjal	Member	Chief Risk Officer
Rachhit Gehanni	Member	Head - Projects & New Initiatives
Rashmi Priya	Member	HR Business Partner

The terms of reference of the ESG Committee are as follows:

i. To set general ESG strategies keeping in mind the Company's commitments.
ii. To ensure that the company's ESG strategy is integrated into its business plan by developing and implementing initiatives and policies based on that strategy,
iii. To monitor the integrity and quality of the company's ESG strategy, ensuring that it serves to foster a culture of responsibility and transparency.
iv. To provide oversight on behalf of and to the Board in relation to IIFL HFC's ESG strategy and activities.
v. To oversee communications with employees, investors, and stakeholders with respect to ESG Strategy and related matters
vi. To review and approve IIFL HFL's impact reports to be issued from time to time.
vii. To review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on IIFL HFL's annual Sustainability Report.
viii. Any other incidental and ancillary matters pertaining to ESG Strategy and Programme of the Company.

Finance Committee:

The Finance Committee was constituted on May 13, 2014 and last re-constituted on July 18, 2020. The terms of reference of the Finance Committee were most recently revised on August 8, 2019.

The members of the Finance Committee are:

Name of the member of the committee	Position on the committee	Designation
Monu Ratra	Chairman	CEO and Executive Director
Venkataraman Rajamani	Member	Non-Executive Director

The terms of reference of the Finance Committee are as follows:

a. To determine and approve timing, nature, type, pricing and such other terms and conditions of the issue of Debenture including coupon rate, minimum subscription, retention of oversubscription, if any and early redemption thereof;
b. To borrow funds for meeting short term requirement of funds of the Company by issuing Commercial papers.
c. To buyback commercial papers;
d. To invest funds of the Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund, security receipts, securities, etc. taking into consideration all investment parameters subject to such amount and limits as provided in the Investment policy of the Company and any amount above this said amount shall require approval of Board at its Board meeting;
e. To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc. from time to time;
f. To enter into derivative transactions viz. Generic and/or Structured derivate shall not have any naked position;
g. To enter into security trustee Agreement for bank borrowing;
h. To enter into securitization/assignment transaction/s in the name of Company in terms of extant Guidelines on Securitization;
i. Opening, closing and operations of various bank accounts from time to time;
j. To avail various added services form bank accounts or operation of account(s) held with the Banks including but not limited to cash management services, internet banking, operations of accounts by fax or such other mode as may be feasible from time to time;
k. To approve and make changes to the Draft Prospectus, to approve the final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
l. To all other matters relating to the issue of debentures and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient, extension of Issue and/or early closure of the Issue.
m. To borrow funds for and behalf of the Company up to maximum amount as determined by the Board of Directors of the

Company from time to time and to create mortgage, charge, hypothecation or any other security on the assets/receivables, present or future of the Company in connection with borrowing availed/to be availed by the Company.

n. To authorize various persons from time to time for various operational purposes including signing of master loan agreements, loan documents, subscription agreement, escrow agreements, security documents, term sheets, non-disclosure agreement, other agreements, sanction letter, power of attorney. plaints, notices, applications, documents, submissions, instructions, etc.;

o. To authorize various persons from time to time to sanction loans under various financial products and matters pertaining to credit, risk, release of collateral, sale of collateral, signing and execution of loan document, etc.;

p. To authorize various persons from time to time to sign the Vakalatnamas, Plaints, Applications, Replies, Written Statements, Affidavits and other paper/documents in the legal proceedings, appeals etc. filed by the Company or against the Company and to appear before the Court, Tribunal and other Judicial/Quasi-Judicial bodies, Local Authority and other Government Authorities;

q. To avail guarantee from companies, body corporates and any person from time to time in connection with a loan, financial assistance, etc. availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc.;

r. To avail security from Companies, body corporates and any person from time to time to be provided as collateral/security in connection with a loan, financial assistance, etc. availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc.;

s. To offer assurances on behalf of other Companies, body corporates and any person from time to time, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Bank, Financial Institution. Non-Banking Financial Companies, other body corporates etc., upto such limit, if applicable, as delegated/ decided by the Beard from time to time;

t. To authorize various persons from time to time to sign and execute applications, documents and agreements related to lease, rent, telephone connection, electricity connection, shops and establishment license, trade license, road permit and Internet and broadband connection, opening of new branches and other operational matters in the ordinary course of business of the Company or incidental or in connection thereto.

u. To authorize various persons from time to time to act as a representative of the Company in respect of a) the investments in shares, securities, debentures, instruments, etc. held by the Company and b) companies to which Company is a creditor and to do the following:
   i. To attend the general meetings & meetings of the creditors;
   ii. To sign proxy form, postal ballot form, shorter consent notice, consent for dispensation from holding meeting in case of Merger and Amalgamation and other documents;
   iii. To exchange correspondence & communication with the Investee companies, companies to which the Company is a creditor;
   iv. Approving the request of transfer and transmission of securities of the Company; and
   v. Approving the request for issue of duplicate Security certificate, split Security certificates, etc.

v. To do all such acts, deeds and things which the Board is empowered to do as per Section 42 of the Companies Act, 2013 read with rules framed thereunder, as may be necessary or expedient, from time to time.

w. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue.

x. To authorize various persons from time to time under Income Tax Act, Goods and Services Tax and other taxation laws.

y. To authorize various persons from time to time to sign and execute various agreements, papers, documents, undertakings. letters, memorandum of understanding, applications, statements, submissions, etc. including any modification of the above, and other necessary documents, for and on behalf of the Company, as may be required in the ordinary course of business of the Company.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, see "*Financial Information*" beginning on page 185.

OUR PROMOTER AND PROMOTER GROUP

Profile of our Promoter

Our Promoter is IIFL Finance Limited (formerly known as IIFL Holdings Limited). Our Promoter was incorporated at Mumbai on October 18, 1995, as a private limited company with the name Probity Research & Services Private Limited under the provisions of the Companies Act, 1956. The status of our Promoter was changed to a public limited company and the name was changed to Probity Research & Services Limited pursuant to a fresh certificate of incorporation dated on April 28, 2000, issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Promoter was subsequently changed to India Infoline.Com Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on May 23, 2000. The name of our Promoter was further changed to India Infoline Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on March 23, 2001. Thereafter, the name of our Promoter was changed to IIFL Holdings Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on February 18, 2014. Thereafter, the name of our Promoter was changed to IIFL Finance Limited and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on May 24, 2019. Our Promoter has obtained a Certificate of Registration dated March 06, 2020, bearing Registration No. N-13.02386 issued by the Reserve Bank of India ("**RBI**") to commence the business of a non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Promoter is a Systemically Important Non-Deposit taking Non- Banking Finance Company ("**NBFC**"). There has been no change in the control or management of our Promoter in the three years preceding the date of the Shelf Prospectus. Permanent Accountant Number of our Promoter is AABCI0745G.

As on September 30, 2021, our Promoters collectively with other Promoter Group and persons acting in concert hold 20,967,581 Equity Shares equivalent to 100% of the Equity Share capital of our Company (including 600 shares held by 6 shareholders as nominee of our Promoter).

The registered office of our Promoter is situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane 400 604, Maharashtra, India.

The equity shares of our Promoter are currently listed on BSE and NSE.

Our Promoter is a Systemically Important Non-deposit taking Non-Banking Financial Company ("**NBFC-ND-SI**") registered with the RBI, catering to the credit requirements of a diverse customer base with its plethora of products. Its offerings include home loans, gold loans, business loans including loans against property and medium and small enterprise financing, micro finance, construction and real estate finance and capital market finance; catering to both retail and corporate clients.

Our Company confirms that the Permanent Account Number and Bank account number of the Promoter and Permanent Account Number of Directors have been submitted to the Stock Exchanges at the time of filing this Tranche II Prospectus.

Details of any reorganization or reconstruction of our Promoter in the last one year

The Board of Directors of our Promoter in its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst the Promoter, India Infoline Finance Limited ("**India Infoline**"), India Infoline Media and Research Services Limited ("**IIFL M&R**"), IIFL Securities Limited ("**IIFL Securities**"), IIFL Wealth Management Limited ("**IIFL Wealth**"), IIFL Distribution Services Limited ("**IIFL Distribution**") and their respective shareholders, under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**"). The Scheme was filed with the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"), and our Promoter received an observation letter from NSE on September 11, 2018 and September 27, 2018; and from BSE on September 14, 2018 and September 28, 2018. The proposed Scheme was then filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") on October 01, 2018, pursuant to which the Hon'ble NCLT directed our Promoter to hold a meeting of its equity shareholders on December 12, 2018. The equity shareholders of our Promoter at the NCLT convened meeting on December 12, 2018, and approved the Composite Scheme of Arrangement with requisite majority. The Hon'ble NCLT vide its order passed on March 07, 2019, sanctioned the Composite Scheme of Arrangement and our Promoter received the order on March 15, 2019.

Further, the Board of Directors of the Promoter at its meeting held on May 13, 2019 approved the implementation of the Scheme except for merger of India Infoline Finance Limited with the Promoter.

Accordingly, following parts of the Scheme were implemented:

1. Amalgamation of IIFL M&R with the Promoter;
2. Demerger of the Securities Business Undertaking of the Promoter into IIFL Securities;
3. Demerger of the Wealth Business Undertaking of the Promoter into IIFL Wealth;
4. Transfer of the Broking and Depository Participant Business Undertaking of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a going-concern basis.

The Securities Business Undertaking, Wealth Business Undertaking and Broking and Depository Participant Business Undertaking are defined in the Scheme and the Scheme can be accessed on the website of our Company i.e., www.iifl.com.

The appointed date for the amalgamation of IIFL M&R with our Promoter was opening hours of April 01, 2017 and for all the other steps, the appointed date was opening hours of April 01, 2018.

Pursuant to the Scheme, the name of our Promoter was changed from "IIFL Holdings Limited" to "IIFL Finance Limited" upon receipt of fresh Certificate of Incorporation dated May 24, 2019 issued by the Registrar of Companies, Mumbai and the Main Object of the Company was amended to carry on the lending business activity as of India Infoline.

Upon the Scheme coming into effect, 18,718,281 and 45,000,000 equity shares of face value ₹ 10 each & ₹ 2 each respectively, held by our Promoter in IIFL Securities and IIFL Wealth respectively were extinguished and cancelled.

As consideration to the shareholders of the Promoter for the demerger of the Securities Business Undertaking and Wealth Business Undertaking, IIFL Securities issued and allotted 1 (One) fully paid up new equity share of ₹ 2 each of IIFL Securities for every 1 (One) equity share of ₹ 2 each of the Promoter; and IIFL Wealth issued and allotted 1 (One) fully paid up new equity share of ₹ 2 each of IIFL Wealth for every 7 (Seven) equity shares of ₹ 2 each of the Promoter on June 06, 2019 to the Shareholders of the Promoter holding equity shares on May 31, 2019 fixed as Record Date for the said purpose. Accordingly, 319,234,462 equity shares of ₹ 2 each of IIFL Securities and 45,604,924 equity shares of ₹ 2 each of IIFL Wealth were issued and allotted in aggregate to the Shareholders of the Promoter.

IIFL Securities and IIFL Wealth had filed their respective Listing Application with Stock Exchange(s) and the In principle approval for listing of equity shares of IIFL Securities and IIFL Wealth was received on August 13, 2019 (NSE) and August 21, 2019 (BSE) & August 19, 2019 (NSE) and August 21, 2019 (BSE) respectively. Accordingly, the shares of IIFL Wealth and IIFL Securities were listed on Stock Exchange(s) on September 19, 2019 and September 20, 2019 respectively.

The remainder of the Scheme, i.e. the amalgamation of India Infoline with our Promoter was pending its implementation for the receipt of requisite approval from the RBI for an NBFC license by the Company.

Our Promoter received the said NBFC License dated March 06, 2020, bearing Certificate of Registration No. N-13.02386 from the RBI to carry on the Non-Banking Financial Activity on March 11, 2020.

Thereafter, our Promoter decided to give effect to the merger of India Infoline and the Promoter with effect from March 30, 2020 with appointed date as April 01, 2018.

Consequently, the residual shareholders of India Infoline were allotted 58,654,556 shares of the Promoter on March 30, 2020 in the ratio 135 fully paid up equity shares of ₹ 2 each in the Promoter for every 100 shares of ₹ 10 each held in India Infoline. The said new shares got listed and admitted for trading w.e.f. April 27, 2020 in terms of final listing and trading approval received from NSE and BSE.

Interest of our Promoter

Except as stated under related party transactions in the section "*Financial Information*" on page 185 and to the extent of its shareholding in our Company, our Promoter does not have any other interest in our Company's business.

Our Promoter does not have any interest in any transaction relating to property completed by our Company within the two years preceding the date of filing of this Tranche II Prospectus, or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

For details of Equity Shares allotted to our Promoter in the last three Fiscals, please see "*Our Promoter – Details of Promoter's shareholding in our Company*" on page 127.

Details of Promoter's shareholding in our Company as on September 30, 2021

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

Payment of benefit to the Promoter in last three years

Other than as disclosed under the *"Related Party Transactions"* segment of the Financial Statements of the Company, available at page 168 and other than the dividend declared and paid by our Company, the Company has not made payments of any benefits to the Promoter during the last three years preceding the date of this Tranche II Prospectus.

Details of shares pledged or encumbered by our Promoter

No shares have been pledged or encumbered by our Promoter as of the date of this Tranche II Prospectus**.**

Other understandings and confirmations

Our Promoter has not been identified as Wilful Defaulter by any financial institution or bank or a consortium thereof in accordance with the guidelines on identification of Wilful Defaulters prescribed by the RBI.

No violations of securities laws have been committed by our Promoter in the past or no proceedings are currently pending against them.

Our Promoter is not a promoter of another company that is a wilful defaulter.

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad. Further, our Promoter is a not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

None of the member forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Board of directors of IIFL Finance Limited:

1. Nirmal Bhanwarlal Jain, Whole Time Director;
2. Venkataraman Rajamani, Managing Director;
3. Vijay Kumar Chopra, Independent Director;
4. Geeta Mathur, Independent Director;
5. Ramakrishnan Subramanian, Independent Director ;
6. Nilesh Shivji Vikamsey, Independent Director;
7. Chandran Ratnaswami, Non-Executive Director; and
8. Arun Kumar Purwar, Independent Director.
9. Vibhore Sharma - Independent Director,

Details of the promoter of our Promoter

1. Nirmal Bhanwarlal Jain;
2. Venkataraman Rajamani;
3. Madhu N. Jain;
4. Harshita Jain and Mansukhlal Jain (in their capacity as trustee of Nirmal Madhu Family Private Trust);
5. Aditi Avinash Athavankar (in her capacity as trustee of Kalki Family Private Trust); and
6. Aditi Athavankar.

Shareholding pattern of our Promoter as on September 30, 2021:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	8	94547490	0	0	94547490	24.93	94547490	0	94547490	24.93	0	24.93	0	0	0	0	94547490
(B)	Public	46687	284705009	0	0	284705009	75.07	284705009	0	284705009	75.07	0	75.07	0	0	0	0	284454718
(C)	Non Promoter - Non Public																	
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	0	0
	Total	46695	379252499	0	0	379252499	100.00	379252499	0	379252499	100.00	0	100.00	0	0	0	0	379002208

Promoter Group and persons acting in concert

In addition to the Promoters named above, the names of the persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(I)(zb) of the SEBI ICDR Regulations and Section 2(1)(ff) of SEBI NCS Regulations along with their shareholding as on September 30, 2021 are set out below:

Sr. No.	Name of Promoter Group	No. of Equity Shares	% Percentage
1.	IIFL Samasta Microfinance Limited	Nil	Nil

RELATED PARTY TRANSACTIONS

Related party transactions entered during the last three Fiscals i.e. 2019, 2020 and 2021 with regard to loans made or, guarantees given or securities provided:

For details in relation to the related party transactions entered by our Company during the last three Fiscals, see "*Financial Information*" beginning on page 185.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company, on standalone basis as on September 30, 2021, are as follows:

Sr. No.	Nature of Borrowings	Amount Outstanding *(₹ in million)*	%
1	Secured borrowings	115,678.04	88.55%
2	Unsecured borrowings	14,961.50	11.45%
Total Borrowings		130,639.54	100.00%

A. Details of Secured Borrowings

Our Company's secured borrowings amounts to ₹ 115,678.04 million as on September 30, 2021 on standalone basis. The details of the borrowings are set out below:

1. ***Term Loans from Banks/ Financial Information:***

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
1	Axis Bank	June 25, 2018	1,000.00	166.37	December 29, 2021	Repayable in 6 half yearly installment starting from the end of 12th month from the date of disbursement.	First pari passu charge by way of hypothecation receivables of standard assets portfolio with a minimum asset cover of 1.10 times of the outstanding loan amount.	NIL with 15 days' notice
2	Indian Bank (Allahabad Bank)	February 10, 2020	750.00	581.06	March 30, 2025	Repayable in 18 installments of ₹ 4.17 crores Quarterly after moratorium of 6 months.	First pari passu charge in favour of the security trustees on receivables of the Company, book debts, loans and advances, both present and future, with minimum security cover of 1.11 times except those receivables which are specifically and exclusively charged in favour of existing charge holders.	NIL at the time of MCLR change with notice of 30 days or else 0.50%.
3	Bank Of India	December 30, 2016	2,000.00	330.52	January 31, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months and payable at the end of 30th, 36th, 42nd, 48th,	First pari passu charge by way of hypothecation receivables of the Company to the extent of 1.10 times of the outstanding loan amount.	NIL if paid from internally generated cash flows/accruals and equity infusion or else 0.50% for residual period (In any case, 15

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						54th and 60th month from the date of first disbursement.		days' notice is required).
4	Bank Of India	March 22, 2017	2,500.00	414.60	March 31, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months.	First pari passu charge by way of hypothecation on the receivables of the Company to the extent of 1.10 times of loan amount.	NIL if paid from internally generated cash flows and equity infusion or else 0.50% (In any case, 15 days' notice required).
5	Bank Of India	September 14, 2017	3,500.00	1,164.63	September 28, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months and payable at the end of 30th, 36th, 42nd, 48th, 54th and 60th month from the first date of disbursement.	First pari passu charge by way of hypothecation on receivables of the company to the extent of 1.10 times of outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or Spread revised upward else 0.50% (In any case, 15 days' notice is required).
6	Bank Of India	June 27, 2018	2,000.00	1,332.04	June 29, 2023	Repayable in 6 equal half yearly installments of ₹ 33.33 crore each commencing after initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on receivables of the Company to the extent of 1.10 times of outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or Spread revised upward else 0.50% (In any case, 15 days' notice is required)
7	Bank Of India	December 13, 2019	5,000.00	4,993.44	December 26, 2025	Repayable in 8 half yearly installments of ₹ 6.25 million each after initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on receivables of the Company to the extent of 1.10 times of outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or Spread revised upward else 0.50% (In any case, 15 days' notice is required)
8	Bank Of Maharashtra	March 27, 2019	1,500.00	1,029.06	June 26, 2024	Repayable in 15 equal quarterly installment of ₹ 9.38 crores &	First pari passu charge by way of hypothecation on receivables of the Company to the	NIL at the time of interest reset with 7 days' notice to be paid from internally

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						last installment of ₹ 9.30 crores after initial moratorium period of 12 months.	extent of 1.10 times of outstanding loan amount.	generated accruals /fresh equity infusion or else 0.50%.
9	Canara Bank	September 1, 2016	2,000.00	274.47	March 30, 2022	Repayable in 8 half yearly installments of ₹ 25 crores each after initial moratorium period of 12 months from the date of first disbursement.	First pari passu charge by way of hypothecation on all standard receivables of the Company with minimum security coverage to the extent of 1.25 times of outstanding of loan amount.	NIL at the time of reset and if paid from internally generated accruals or else 2%.
10	Canara Bank	September 16, 2017	2,000.00	1,049.48	March 30, 2023	Repayable in 6 equal half yearly installments of ₹ 33.33 crores after a moratorium period of 24 months from the first drawdown of the loan.	First pari passu charge by way of hypothecation on all standard receivables of the Company with minimum security coverage to the extent of 1.25 times of outstanding of loan amount.	NIL at the time of reset and if paid from internally generated accruals or else 2%.
11	Union Bank Of India (Corporation Bank)	December 26, 2019	1,000.00	646.42	December 31, 2024	Repayable in 20 equal quarterly installments of ₹ 5 crores each.	First pari passu charge by way of hypothecation on receivables of standard assets portfolio with a minimum asset cover of 1.10 times of the outstanding loan amount.	2% of prepaid amount for balance tenure except if prepayment done at the instance of the bank, at the time of rate reset of the loan, if prepaid from surplus cash accruals or equity infusion subject to a prior notice of 15 days
12	Indian Bank	September 21, 2017	3,000.00	984.28	September 28, 2022	Repayable in 6 half yearly installments commencing after initial moratorium of 24 months and payable at the end of 30th,	First pari passu charge by hypothecation of receivables created out of bank finance of the Company with minimum security cover to the extent of 1.10 times of	Prepayment to be permitted without any prepayment charges if the Company prepays the loan at any time during the tenure of the loan

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						36th, 42nd, 48th, 54th and 60th month.	outstanding loan amount.	through internally generated cash accrual and/or fresh equity infusion.
13	Indian Bank	February 28, 2018	1,000.00	492.84	March 20, 2023	Repayable in 12 quarterly installments commencing after initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security cover to the extent of 1.10 times of outstanding loan amount.	Prepayment to be permitted without any prepayment charges if the Company prepays the loan at any time during the tenure of the loan through internally generated cash accrual and/or fresh equity infusion.
14	Indian Bank	March 27, 2020	2,000.00	1,979.12	March 31, 2030	Repayable in 96 monthly installments with commencing after initial moratorium period of 24 months.	First pari passu charge on the receivables, book debts, loans and advances of the Company with minimum security cover to the extent of 1.10 times of outstanding loan amount.	In the event of Pre-payment of loan, the bank is entitled to levy a prepayment charge as per the bank's rules in force on the drawing limit or outstanding amount, whichever is higher.
15	Indian Bank	March 27, 2020	2,000.00	1,455.35	March 31, 2025	Repayable in 57 monthly installments commencing after initial moratorium period of 3 months.	First pari passu charge on the receivables, book debts, loans and advances of the Company with minimum security cover to the extent of 1.10 times of outstanding loan amount.	In the event of Pre-payment of loan, the bank is entitled to levy a prepayment charge as per the bank's rules in force on the drawing limit or outstanding amount, whichever is higher.
16	Karnataka Bank	March 27, 2017	1,000.00	329.42	June 27, 2022	Repayable in 6 half yearly installments (5 of ₹ 16.66 crores each and last on ₹ 16. 70 crores after an initial moratorium	First pari passu charge by way of hypothecation on receivables of the Company with a minimum security coverage of 1.10 times of outstanding loan amount.	2% in case of takeover of liability by other banks, else NIL.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						period of 24 months.		
17	Kotak Mahindra Bank	March 9, 2018	500.00	70.42	March 26, 2022	Repayable in 14 equal quarterly installments after an initial moratorium period of 9 months.	First pari passu charge on standard receivables of the Company with a minimum asset cover of 1.15 times on the outstanding loan amount.	Pre-payment of the liabilities of the Borrower in the first 6 months post disbursement shall attract a penal charge of 2% on the outstanding loan amount. Upon completion of 6 months, no prepayment penalty will be payable to the Lenders, if: a) The Borrower prepays the outstanding amount of the loan via internal accrual and/ or by equity infusion; b) The prepayment is effected at the instance of the Lenders or c) The prepayment is done before or on the date of interest rate reset.
18	Punjab National Bank (Oriental Bank Of Commerce)	April 7, 2018	2,000.00	1,315.35	May 30, 2023	Repayable in 6 equal half yearly installments after an initial moratorium period of 24 months.	First pari passu charge on standard receivables with a minimum asset cover of 1.10 times of the outstanding loan amount.	NIL with 15 days' notice.
19	Punjab National Bank (Oriental Bank Of Commerce)	September 10, 2018	2,000.00	1,323.31	September 30, 2023	Repayable in 12 equal quarterly installments after an initial moratorium period of 12 months.	First pari passu charge on standard receivables with a minimum asset cover of 1.10 times on the outstanding loan amount.	NIL with 15 days' notice.
20	Punjab National Bank	February 20, 2018	1,000.00	431.87	June 25, 2023	Repayable in 16 quarterly installments	First pari passu charge by way of hypothecation on	NIL with 30 days' notice at the time of

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						within 12 months from date of first disbursement. The first installment to start after 15th month from date of first disbursement, and thereafter at 3 month intervals.	standard receivables (excluding capital market loans, NPA, irregular accounts) with a minimum asset cover of 1.25 times on the outstanding loan amount.	interest reset or else 1%.
21	Punjab & Sind Bank	March 20, 2017	1,000.00	327.86	September 14, 2022	Repayable in 6 equal half yearly installments of ₹ 16.67 crores after an initial moratorium period of 24 months.	First pari passu charge by way of hypothecation on standard receivables of the Company with a minimum asset cover of 1.10 times of the outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion.
22	Punjab & Sind Bank	December 27, 2019	1,000.00	823.50	December 30, 2027	Repayable in 30 equal quarterly installments of ₹ 3.33 crores after an initial moratorium period of 6 months.	First pari passu charge by way of hypothecation on standard receivables of the Company with a minimum asset cover of 1.11 times of the outstanding loan amount.	1% if account is adjusted through take over, otherwise, NIL.
23	State Bank of India	September 6, 2018	12,000.00	5,297.89	June 30, 2023	Repayable in 16 quarterly installments commencing after an initial moratorium period of 6 months from date of first disbursement.	First pari passu charge by way of hypothecation on all receivables and other current assets to the extent of 1.25 times of the outstanding loan amount.	2% of pre-paid amount. Pre-payment charges will not be levied: (a) In case payment has been made out of cash sweep/ Insurance proceeds; (b) Prepayment has been initiated at the instance of the Lenders; or (c) Loans prepaid out of internal accruals /equity infusion by promoters.
24	State Bank of India	March 6, 2018	5,000.00	2,515.04	March 21, 2024	Repayable in 10 equal half yearly installments commencing	First pari passu charge by way of hypothecation on all receivables and other current assets to the	1% of prepaid amount (loans prepaid from own resources will not attract

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						12 months after date of first drawal.	extent of 1.25 times of the outstanding loan amount.	prepayment charges). Further, no prepayment penalty if loan is prepaid within 30 days of reset date.
25	Canara Bank (Syndicate Bank)	September 1, 2016	2,000.00	674.84	September 21, 2022	Repayable in 6 equal half yearly after a moratorium period of 24 months	First pari passu charge by way of hypothecation on all standard receivables of the Company with minimum security coverage to the extent of 1.20 times of outstanding loan amount.	2% or 1% depending on the balance tenure of the loan, NIL if paid from internal accruals.
26	Canara Bank (Syndicate Bank)	February 16, 2018	1,500.00	1,008.18	September 23, 2023	Repayable in 12 equal quarterly installments after moratorium of 24 months	First pari passu charge by way of hypothecation on all receivables of the company with minimum security coverage 1.11 times outstanding of loan amount.	2% or 1% depending on the balance tenure of the loan, NIL if paid from internal accruals.
27	Canara Bank (Syndicate Bank)	August 21, 2019	2,000.00	1,437.12	June 27, 2023	Repayable in 7 equal half yearly installments after an initial moratorium period of 3 months.	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security coverage to the extent of 1.11 times of outstanding loan amount.	NIL if paid from internal accruals or else applicable charges.
28	Canara Bank (Syndicate Bank)	September 13, 2019	3,000.00	2,582.90	June 23, 2027	Repayable in 14 equal half yearly installments. 1st installment shall fall due after 9 months from the date of first disbursement.	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security coverage to the extent of 1.11 times of outstanding loan amount.	NIL if paid from internal accruals or else applicable charges.
29	Punjab National Bank (United Bank Of India)	March 26, 2019	2,000.00	1,978.42	March 27, 2024	Repayable in 3 equal yearly installments after a moratorium period of 2 years.	First pari passu charge on standard receivables to the extent of 1.10 times on the outstanding loan amount.	NIL if paid from internally generated cash flows and equity infusion or else 1.18%.

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
30	Central Bank of India	February 24, 2020	2,500.00	2,480.48	December 31, 2030	Repayable in 18 equal half yearly installments with 1st installment falling due at month end of 12th month from the date of disbursement of each tranche and last installment falling due at month end of 120th month from the date of disbursement of each tranche	First pari passu charge by way of hypothecation on all standard receivables/loan book of the Company with minimum asset cover to the extent of 1.11 times of outstanding loan amount.	NIL if prior notice of 30 days provided otherwise 1% p.a.
31	Canara Bank	November 10, 2020	5,000.00	4,990.87	May 12, 2030	Repayable in 17 half yearly installments after an initial moratorium period of 18 months.	First pari passu charge on all present and future receivables of standard loan assets of the Company with minimum security coverage of 1.11 times of outstanding loan amount.	NIL if 6 month prior notice else 2%.
32	Karnataka Bank	December 30, 2020	1,000.00	897.07	October 30, 2023	Repayable in 10 quarterly installments of ₹ 10 crores each after a holiday period of 4 months.	First pari passu charge on standard receivables/book debts of the Company with minimum security cover of 1.10 times of outstanding loan amount.	2% in case of takeover of liability by other banks.
33	LIC Housing Finance	October 28, 2020	4,000.00	3,752.07	November 1, 2030	Repayable in 120 equal monthly installments payable on the 1st of every month falling in succeeding month.	First pari passu charge on all receivables and other current assets of standard assets portfolio to the extent of 1.25 times on the outstanding loan amount.	2% of the Principal amount ahead of repayment schedule.
34	Punjab & Sind Bank	March 18, 2021	2,000.00	1,995.12	March 22, 2028	Repayable in 13 half yearly installments of ₹ 15.40 crores	First pari passu charge by way of hypothecation on standard receivables,	If the account is adjusted through take over, prepayment

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						each after an initial moratorium period of 6 months from the date of first disbursement.	book debts, loans and advances of the Company with a minimum asset cover of 1.11 times of the outstanding loan amount.	penalty of 1% would be charged and in all other cases, prepayment charges are NIL.
35	LIC Housing Finance	March 23, 2021	5,000.00	4,826.81	April 1, 2031	Repayable in 120 equal installments.	First pari passu charge on all receivables and other current assets of standard assets portfolio to the extent of 1.25 times of the outstanding loan amount.	1% for up to 2 years from date of disbursement; after 2 years, no penalty.
36	RBL Bank Limited	March 27, 2021	1,000.00	824.74	March 31, 2024	Repayable in 12 equal quarterly installments from the date of disbursement.	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.20 times of the outstanding loan amount.	No prepayment charges if the Bank so demands by giving a prior written notice to the Borrower of 30 (Thirty) business days.
37	Bank Of India	April 21, 2021	2,000.00	1,996.84	April 29, 2030	Repayable in 16 equal half yearly instalments of ₹12.50 Crore each to commence after completion of moratorium period of 12 months from the date of first disbursement. Total door to door tenor shall be 9 years	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.10 times of the outstanding loan amount.	Nil if paid through internal Cash accrual/fresh equity infusion/spread revised upward otherwise 0.50% p.a. applicable on amount prepaid for residual period of the loan on simple interest basis. 15 days prior notice required in all cases
38	Canara Bank	June 16, 2021	5,000.00	4,923.18	June 24, 2031	Repayable in 18 equal half yearly instalments after completion of moratorium period of 12 months from	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.11 times of the	Prepayment penalty is 2% of the prepaid amount, nil prepayment penalty if prior notice of 6 months is given

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned *(₹ in million)*	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Repayment Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
						the date of first disbursement.	outstanding loan amount.	
39	State Bank of India	June 24, 2021	5,000.00	2,230.83	August 30, 2026	20 quarterly installment of ₹ 250.00 million each to be commenced after 3 months of first disbursement. Installment will fall due on last day of the quarter. Interest to be paid as and when due.	First pari-passu hypothecation charge on receivables and other current assets of the Company to the extent of 1.25 times to be shared among working capital lenders/ Term lenders without any preference or priority of one another.	2% of pre-paid amount. Pre-payment charges will not be levied: (a) In case payment has been made out of cash sweep/ Insurance proceeds; (b) Payment at the instance of lenders; (c) Loans prepaid out of internal accruals/ equity infusion by promoters.
Total				**65,927.83**				

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Additional interest of upto 2% per month on overdue portion of the amount for the period of default in case of any delay / default in payment of principal or interest.

(b) Penalty of upto 2% per month in cases of pre-payment of the loan / facility.

(c) Penalty of 1% per annum in case the Company fails to obtain and keep alive external credit rating form any one of the RBI approved agency.

(d) Penalty of upto 2% per annum in case of breach of terms and conditions of the loan agreements.

(e) Penalty of upto 2% per annum in case of non-creation of security as per the loan agreements.

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Any of the instalment amount referred to herein above being unpaid on the due date for payment thereof.

(b) Any representation and/or the statements made by the Company in the application being found to be incorrect and / or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.

(c) Any deterioration or impairment of the security provided by the Company to the lenders or any decline or depreciation in the value or market price thereof which causes the security rendered to become unsatisfactory as to character or value.

(d) Company entering into any arrangement or composition with Company's creditors or committing any act the consequence of which may lead to Company being ordered to be wound up.

(e) Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.

(f) Any order being made or a resolution being passed for the winding up of the Company.

(g) A receiver being appointed of the entire properties or any part thereof belonging to or under the control of Company.

(h) If any attachment, distress, execution or other process is initiated against the Company or any of the security provided by the Company is enforced.

(i) If the Company enters into amalgamation, reorganisation or reconstruction or there is a change of control of the Company without the prior consent of the lenders/debenture trustee in writing.

(j) The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of Company's intention to do so.

(k) A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.

(l) The occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to either repay the said advance or to carry out the said proposal.

(m) Failure of the Company to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.

(n) If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.

2. Cash Credit / Working Capital Loans/ Working Capital Demand Loans/ Short Term Loans from Banks:

Sr. No.	Bank	Date of Sanction/ Renewal	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Repayment Date / Schedule	Security
1	IDFC Bank	June 29, 2018	250.00	249.34	On Demand	First *pari passu* charge of present and future book debts and receivables providing a security cover of 1.1 x
2	State Bank of India	May 4, 2016	500.00	198.29	On Demand	First pari-passu hypothecation charge on receivables and other current assets of the Company to the extent of 1.25 times to be shared among working capital lenders/ Term lenders without any preference or priority of one another.
3	Kotak Mahindra Bank	September 5, 2017	150.00	-	On Demand	First pari passu charge on standard receivables of the Company with a minimum asset cover of 1.15 times on the outstanding loan amount.
4	RBL Bank	March 27, 2021	500.00	490.00	On Demand	First Pari Passu charged by way of Hypothecation on the receivables (including loans and advances) of the Company with Asset Coverage Ratio of 1.25 times
5	HDFC Bank	September 21, 2017	250.00	-	On Demand	First Pari passu charge on common pool of assets with security cover of 1.25 times
	Total			**937.63**		

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

a) Additional interest of upto 2% per month on overdue portion of the amount for the period of default in case of any delay / default in payment of principal or interest.

b) Penalty of upto 2% per month in cases of pre-payment of the loan / facility.

c) Penalty of 1% per annum in case the Company fails to obtain and keep alive external credit rating form any one of the RBI approved agency.

d) Penalty of upto 2% per annum in case of breach of terms and conditions of the loan agreements.

e) Penalty of upto 2% per annum in case of non-creation of security as per the loan agreements.

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a) Any of the instalment amount referred to herein above being unpaid on the due date for payment thereof.

b) Any representation and/or the statements made by the Company in the application being found to be incorrect and / or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.

c) Any deterioration or impairment of the security provided by the Company to the lenders or any decline or depreciation in the value or market price thereof which causes the security rendered to become unsatisfactory as to character or value.

d) Company entering into any arrangement or composition with Company's creditors or committing any act the consequence of which may lead to Company being ordered to be wound up.

e) Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.

f) Any order being made or a resolution being passed for the winding up of the Company.

g) A receiver being appointed of the entire properties or any part thereof belonging to or under the control of Company.

h) If any attachment, distress, execution or other process is initiated against the Company or any of the security provided by the Company is enforced.

i) If the Company enters into amalgamation, reorganisation or reconstruction or there is a change of control of the Company without the prior consent of the lenders/debenture trustee in writing.

j) The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of Company's intention to do so.

k) A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.

l) The occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to either repay the said advance or to carry out the said proposal.

m) Failure of the Company to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.

n) If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.

3. ***Overdraft against Fixed Deposit ("ODFD") facility availed by our Company***

(₹ in million)

Sr. No.	Bank	Date of Disbursement	Amount Sanctioned	Amount Outstanding as on September 30, 2021	Repayment Date/ Schedule	Security
1	RBL Bank	June 27, 2020	4,000.00	1,413.63	On Demand	Fixed Deposit (FD) to the extent of l 05% of the facility amount to be duly lien marked in favour of the Bank
2	HDFC Bank	September 21, 2018	50.00	-	On Demand	Fixed Deposits on ₹ 50 Millions
	Total			**1,413.63**		

4. External Commercial Borrowings

As on September 30, 2021 we have one outstanding borrowing of ₹ 3,811.52 million by way of External Commercial Borrowings, the details of which are set forth below:

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Final Maturity Date	Repayment Schedule	Security	Prepayment Clause in Loan Agreement
1	State Bank Of India	July 6, 2018	3,630.80	3,811.52	September 26, 2023	Bullet repayment of each tranche after 5 years from respective drawdown date	First pari passu charge by way of hypothecation on all current and future loans, investments and current assets with a minimum asset cover of 1.25 times on the outstanding loan amount	Loan can be prepaid on any interest payment date after the last day of availability period in whole or in part on 15 business days prior notice with a minimum prepayment of USD 5 million and integral multiples thereof, subject to compliance of minimum average maturity period as per RBI guidelines
	Total			**3,811.52**				

Note :The Outstanding amount presented above includes INDAS adjustments for accrued interest, mark to market gain/loss & impact of effective interest rate

5. National Housing Finance Refinance

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
1	National Housing Bank	November 15, 2016	1,500.00	Tranche I- 76.76	October 1, 2022	Each disbursement shall be repayable in a maximum of	Secured by- 1. Hypothecation of book debts, both present	Refer Note
				Tranche II - 101.42	January 1, 2023			

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
				Tranche III-10.96	January 1, 2023	60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	
				Tranche IV-9.71	April 1, 2022			
				Tranche V-20.75	April 1, 2022			
				Tranche VI-74.51	July 1, 2026			
2	National Housing Bank	June 9, 2017	1,500.00	286.30	April 1, 2027	Each disbursement shall be repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	Refer Note
3	National Housing Bank	October 10, 2017	5,000.00	Tranche I-1,180.08	October 01, 2026	Each disbursement shall be repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	Refer Note
				Tranche II-608.29	January 01, 2026			
				Tranche III-389.85	October 01, 2029			
				Tranche IV-202.79	January 1, 2029			
				Tranche V-208.71	January 1, 2025			
4	National Housing Bank	September 17, 2018	10,000.00	Tranche I-737.91	October 1, 2032	Each disbursement shall be repayable in a maximum of	Secured by- 1. Hypothecation of book debts, both present	Refer Note
				Tranche II-2,176.20	April 1, 2031			

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
				Tranche III-2,117.39	January 1, 2031	60 equal quarterly installments starting with the quarter succeeding the one in which refinance was drawn or in such other number of installments as may be advised by NHB to the Company.	and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	
				Tranche IV-1,457.66	July 1, 2025			
5	National Housing Bank	December 19, 2019	4,500.00	3,370.12	January 1, 2025	Repayable in a maximum of 20 quarterly installments.	First exclusive charge on unencumbered individual housing loan portfolio with a minimum asset coverage of 120%	Refer Note
6	National Housing Bank	December 19, 2019	5,000.00	Tranche I - 405.24	October 1, 2025	Repayable in a maximum of 40 equal quarterly installments (maximum of 28 equal quarterly installments in case of refinance under AHF scheme) and in accordance with the applicable refinance policy.	First exclusive charge on unencumbered individual housing loan portfolio with a minimum asset coverage of 120%	Refer Note
				Tranche II-1,480.67	January 1, 2025			
				Tranche III-2,188.33	January 01, 2030			
7	National Housing Bank	November 27, 2020	5,000.00	Tranche I-3,731.68	October 1, 2027	Repayable in a maximum of 40 equal quarterly installments (maximum of 28 equal quarterly installments in case of refinance under AHF scheme) and in accordance with the applicable refinance policy.	First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	Refer Note
				Tranche II-673.50	October 1, 2030			
				Tranche III-275.40	January 1, 2026			

Sr. No.	Lender's name	Date of Sanction	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Final Maturity Date	Repayment schedule	Security	Prepayment Clause in Loan Agreement
8	National Housing Bank	May 28, 2021	3,200.00	2,439.91	June 15, 2022	Repayable in 4 equal quarterly installments and the 4th installment has to be paid on the term end date	1. Hypothecation on the book debts 2. List of flagged loans of individual housing loan portfolio up to 100% of loan facility with an undertaking not to create any charge on it. 3. Demand Promissory Note	Can be repaid with a prior notice of 30 days
	Total			**24,224.13**				

The National Housing Bank Refinance is repayable in quarterly instalments for the tenure of loan sanctioned as per the refinance schemes. In the case of adverse balance arising due to pre-closure of loans in normal operation of lending and accelerated repayments, the shortfall is repaid as per the scheme provisions to ensure that flagged loans outstanding is equal or more than the refinance outstanding.

Note – Pre - Repayment Criteria

a. the refinance availed by the HFC can be prepaid without any prepayment charges subject to fulfillment of all the following conditions

- *Such refinance is availed under the Rural Housing Fund, Urban Housing Fund, Special urban refinance scheme for low income households, or under regular refinance schemes at regular rates*
- *The HFC has received the said amounts from the ultimate borrowers under these schemes and*
- *The prepayment is made not more than once in quarter after giving a two week notice (2 months' notice required on loans with Sr. No. 5 and 6)*

b. The refinance availed by the HFC can be prepaid by them without any prepayment charges subject to the following conditions

- *The said refinance has at least run for one year (including the required period of notice*
- *Prior notice of 2 months given to NHB*
- *Such prepayment is made not more than once in any half year (Jan-June or July-Dec)*

c. In all other cases, prepayment would be accepted from the company upon payment of prepayment charges as stated below and subject to the company giving 2 months' notice in writing of its intention to prepay

(i) If time elapsed since disbursement is upto 1 year then prepayment charges are 1% of amount to be prepaid
(ii) If time elapsed since disbursement is more than 1 year then prepayment charges are 0.5% of amount to be prepaid

d. All other terms and conditions of refinance as applicable to Housing Finance Companies as communicated from time to time shall continue to be applicable.

6. Secured Redeemable Non-Convertible Debentures

i. Private Placement of non-convertible debentures as on September 30, 2021

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 14,573.78 million is outstanding as on September 30, 2021, the details of which are set forth below:

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
1	8.60% Secured Listed Redeemable Non Convertible Debentures. Series D3. **Date of Maturity** February 11, 2028	INE477L07AG3	189.13	February 11, 2021	February 11, 2028	8.60%	2,556	CRISIL AA/Stable & ICRA AA/Stable
2	8.62% Secured Listed Redeemable Non Convertible Debentures. Series D4. **Date of Maturity** March 12, 2028	INE477L07AH1	197.98	March 12, 2021	March 12, 2028	8.62%	2,557	CRISIL AA/Stable & ICRA AA/Stable
3	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. **Date of Maturity** October 26, 2021	INE477L07966	133.55	October 12, 2018	October 26, 2021	Zero Coupon	1,110	CRISIL AA/Stable
4	8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. **Date of Maturity** November 3, 2021	INE477L07701	54.06	November 3, 2016	November 3, 2021	8.90%	1,826	CARE AA/Stable & ICRA AA/Stable
5	9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. **Date of Maturity** January 24, 2022	INE477L07909	508.99	July 24, 2018	January 24, 2022	9.38%	1,280	ICRA AA/Stable & CRISIL AA/Stable
6	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. **Date of Maturity** April 4, 2022	INE477L07941	316.19	September 17, 2018	April 4, 2022	Zero Coupon	1,295	CRISIL AA/Stable
7	G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6.	INE477L07933	439.82	September 6, 2018	April 21, 2022	MARKET LINKED	1,323	CRISIL PP-MLD AAr/Stable

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
	Date of Maturity April 21, 2022							
8	8.96% Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option 1. **Date of Maturity** November 15, 2019, May 15, 2020, November 15, 2020, May 15, 2021, November 15, 2021 and May 15, 2022	INE477L07AC2	580.15	May 15, 2018	May 15, 2022	7.51%	1,459	ICRA AA/Stable
9	Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. **Date Of Maturity** September 29, 2022	INE477L07958	765.05	September 25, 2018	September 29, 2022	Zero Coupon	1,465	CRISIL AA/Stable
10	G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. **Date Of Maturity** April 25, 2024	INE477L07990	380.90	January 24, 2019	April 25, 2024	MARKET LINKED	1,918	CRISIL PP-MLD AAr/Stable
11	G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. **Date Of Maturity** April 25, 2024	INE477L07990	255.76	February 4, 2019	April 25, 2024	MARKET LINKED	1,907	CRISIL PP-MLD AAr/Stable
12	G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. **Date of Maturity** June 27, 2024	INE477L07AB4	254.46	March 28, 2019	June 27, 2024	MARKET LINKED	1,918	CRISIL PP-MLD AAr/Stable
13	10.33% Secured Rated Listed Redeemable Non Convertible	INE477L07982	161.69	December 20, 2018	December 19, 2025	10.33%	2,556	CRISIL AA/Stable/ ICRA AA/Stable

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
	Debenture. Series C11. **Date of Maturity** December 19, 2025							
14	10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Date of Maturity March 20, 2026	INE477L07AA6	157.39	March 20, 2019	March 20, 2026	10.05%	2,557	CRISIL AA/Stable & BWR AA+/Negative
15	9.18% Secured Rated Listed Redeemable Non Convertible Debenture. Series C15. **Date of Maturity** October 3, 2029	INE477L07AD0	3,067.90	October 3, 2019	October 3, 2029	9.18%	3,653	CRISIL AA/Stable
16	8.00% Secured Rated Listed Redeemable Non Convertible Debenture. Series D1. **Date of Maturity** February 18, 2022	INE477L07AE8	1,259.95	August 19, 2020	February 18, 2022	8.00%	548	CRISIL AA/Stable
17	8.69% Secured Rated Listed Redeemable Non Convertible Debenture. Series D2. **Date of Maturity** November 12, 2030	INE477L07AF5	3,230.70	November 12, 2020	November 12, 2030	8.69%	3,468	CRISIL AA/Stable
18	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D5 **Date of Maturity** April 04, 2029	INE477L07AI9	268.78	April 26, 2021	April 04, 2029	8.70%	2,922	CRISIL AA/Stable and ICRA AA/Stable
19	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D5 Reissue **Date of Maturity** April 04, 2029	INE477L07AI9	103.37	April 26, 2021	April 04, 2029	8.70%	2,912	CRISIL AA/Stable and ICRA AA/Stable
20	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D6 **Date of Maturity** May 14, 2030	INE477L07AJ7	215.65	May 14, 2021	May 14, 2030	8.70%	3,287	CRISIL AA/Stable and ICRA AA/Stable
21	8.70% Secured Listed Redeemable Non	INE477L07AJ7	154.03	June 01, 2021	May 14, 2030	8.70%	3,269	CRISIL AA/Stable

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021 *(₹ in million)*	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
	Convertible Debentures. Series D6 Reissue. **Date of Maturity** May 14, 2030							and ICRA AA/Stable
22	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D6 Reissue. **Date of Maturity** May 14, 2030	INE477L07AJ7	236.17	June 16, 2021	May 14, 2030	8.70%	3,254	CRISIL AA/Stable and ICRA AA/Stable
23	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D6 Reissue**.** **Date of Maturity** May 14, 2030	INE477L07AJ7	364.95	September 13 2021	May 14, 30	8.70%	3,165	CRISIL AA/Stable and ICRA AA/Stable
24	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D6 Reissue. **Date of Maturity** May 14, 2030	INE477L07AJ7	156.40	September 24, 2021	May 14, 30	8.70%	3,154	CRISIL AA/Stable and ICRA AA/Stable
25	8.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series D7	INE477L07AK5	1,000.67	September 28, 2021	September 28, 26	8.20%	1,826	CRISIL AA/Stable and ICRA AA/Stable
26	8.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series D7	INE477L07AK5	120.08	September 28, 2021	September 28, 26	8.20%	1,826	CRISIL AA/Stable and ICRA AA/Stable
	Total		**14,573.78**					

Security Clause

Above debentures are fully secured by first pari passu charge on receivables of the Company/ current assets / book debts, and first pari passu charge on the identified immovable property, ranging from 1 to 1.25 times the outstanding amount.

Penalty Clause

a) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period
b) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor
c) Security to be created in accordance with applicable SEBI regulations. In case of delay in execution of trust deed and charge documents, the Company would refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Secured Debentures:

a) When the Company defaults in payment of the principal amounts of Secured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Secured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the secured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other 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;

f) Any information, representation, warranty, statement, certificate given by the Company to the Secured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Secured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Secured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Secured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Secured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The Company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Secured Debentures;

n) In the event any breach of the terms of the relevant information memorandums, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Secured Debentures 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 by the Debenture Trustee to the Company requiring the same to be remedied.

ii. PTC Transactions as on September 30, 2021

Our company has raised funds by way of PTC Transaction of which ₹ 4,789.62 million is outstanding as on September 30, 2021 as stated below:

Sr No.	Deal Name	Date of Allotment	Amount Securitized	Amount outstanding (₹ In Millions)	Maturity Date	Credit rating	Underlying Pool
1	Elite Mortgage HL Trust Dec 2016	December 30, 2016	443.19	174.05	December 20, 2041	ICRA AAA /Stable	Housing Loan
2	Elite Mortgage LAP Trust Dec 2016	December 30, 2016	615.53	103.67	August 21, 2030	ICRA AAA /Stable	Loan and Property
3	Elite Mortgage HL Trust June 2016	June 30, 2016	744.26	222.25	September 30, 2038	ICRA AAA /Stable	Housing Loan
4	Elite Mortgage LAP Trust June 2016	June 30, 2016	630.58	79.57	March 22, 2030	ICRA AAA /Stable	Loan and Property
5	Elite Mortgage HL Trust June 2019	June 24, 2019	3,585.44	2,282.31	December 11, 2043	ICRA AAA /Stable	Housing Loan
6	Elite Mortgage HL Trust Sept 2016	September 30, 2016	504.93	226.21	December 23, 2028	ICRA AAA /Stable	Housing Loan
7	Elite Mortgage LAP Trust Sept 2016	September 30, 2016	583.61	124.98	June 21, 2030	ICRA AAA /Stable	Loan and Property
8	Solitaire Mortgage - 2 Trust June 2017	June 29, 2017	1,223.42	427.33	June 20, 2037	ICRA AAA /Stable	Housing Loan
9	Solitaire Mortgage - 1 Trust March 2017	March 20, 2017	3,879.32	1,149.24	March 20, 2042	ICRA AAA /Stable	Housing Loan
	Total			**4,789.62**			

Collateralised borrowing and lending obligation

As on September 30, 2021 our outstanding Collateralised borrowing and lending obligation amounts to Nil.

B. Details of Unsecured Borrowings:

Our Company has ₹ 14,961.50 million unsecured borrowings outstanding as on September 30, 2021. The details of the individual borrowings are set out below:

1. Commercial Papers

As on September 30, 2021 our outstanding Commercial Papers amounts to Nil.

2. Loan from Directors and Relatives of Directors

Our Company does not have any borrowings from directors and relatives of directors as on September 30, 2021.

3. Subordinated Debts

i. Public Issue

Our Company has, *vide* public offering, issued unsecured, redeemable, non-convertible debentures under various series of which ₹ 6,357.70 million is outstanding as on September 30, 2021 the details of which are set forth below:

(₹ in million)

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
1	10% Unsecured Rated Listed Redeemable Non Convertible Debentures. Series I. *Date of Maturity :* November 3, 2028	INE477L08147	2,267.29	August 03, 2021	November 03, 2028	10.00%	2,649	CRISIL AA/Stable & BWR AA+/Negative
2	9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures. Series II. *Date of Maturity :* November 3, 2028	INE477L08154	3,697.99	August 03, 2021	November 03, 2028	9.60%	2,649	CRISIL AA/Stable & BWR AA+/Negative
3	Unsecured Rated Listed Redeemable Non Convertible Debentures. Series III. *Date of Maturity :* November 3, 2028	INE477L08162	392.42	August 03, 2021	November 03, 2028	Zero Coupon	2,649	CRISIL AA/Stable & BWR AA+/Negative
	Total		**6,357.70**					

Penalty Clause

In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period (ii) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

Event of Default

The occurrence of any of the following events shall constitute an event of default by the Company in relation to the Unsecured Debentures:

a) When the Company defaults in payment of the principal amounts of Unsecured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Unsecured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the unsecured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other 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;

f) Any information, representation, warranty, statement, certificate given by the Company to the Unsecured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Unsecured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Unsecured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Unsecured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Unsecured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Unsecured Debentures;

n) In the event any breach of the terms of the Shelf Prospectus read with the Tranche I Prospectus, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Unsecured Debentures 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 by the Debenture Trustee to the Company requiring the same to be remedied.

ii. Private Placement

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible debentures under various series of which ₹ 4,103.70 million is cumulatively outstanding as on September 30, 2021, the details of which are set forth below:

(₹ in million)

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.)	Tenure / Period (Days)	Credit Rating
1	9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date of Maturity January 25, 2022	INE477L08055	104.64	January 21, 2016	January 25, 2022	9.30%	2,196	ICRA AA/Stable & Brickwork AA+/ Negative
2	9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date of Maturity February 11, 2022	INE477L08063	104.64	February 12, 2016	February 11, 2022	9.30%	2,191	ICRA AA/Stable & Brickwork AA+/ Negative

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.)	Tenure / Period (Days)	Credit Rating
3	8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date of Maturity April 14, 2023	INE477L08097	508.32	July 27, 2017	April 14, 2023	8.93%	2,087	ICRA AA/Stable & Brickwork AA+/ Negative
4	9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U05. Date of Maturity May 29, 2023	INE477L08071	156.99	May 30, 2016	May 29, 2023	9.30%	2,555	ICRA AA/Stable & Brickwork AA+/ Negative
5	8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date of Maturity July 27, 2027	INE477L08089	757.81	July 27, 2017	July 27, 2027	8.85%	3,652	ICRA AA/Stable & Brickwork AA+/ Negative
6	9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date of Maturity February 28, 2028	INE477L08105	105.05	February 28, 2018	February 28, 2028	9.05%	3,652	ICRA AA/Stable & Brickwork AA+/ Negative
7	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date of Maturity June 16, 2028	INE477L08113	410.23	June 18, 2018	June 16, 2028	9.85%	3,651	ICRA AA/Stable & Brickwork AA+/ Negative
8	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date of Maturity July 13, 2028	INE477L08121	305.13	July 13, 2018	July 13, 2028	9.85%	3,653	CRISIL AA/Stable, Brickworks AA+/ Negative
9	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3.	INE477L08139	1,304.86	August 14, 2018	August 11, 2028	Market Linked	3,650	CRISIL PP-MLD AAr/Stable

Sr. No.	Debenture Name / Series	ISIN	Amount Outstanding as on September 30, 2021	Date of Allotment	Final Maturity Date	Coupon (p.a.)	Tenure / Period (Days)	Credit Rating
	Date of Maturity August 11, 2028							
10	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series UA3. Reissue Date of Maturity August 11, 2028	INE477L08139	240.47	September 11, 2018	August 11, 2028	Market Linked	3,622	CRISIL PP-MLD AAr/Stable
11	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series UA3. Reissue Date of Maturity August 11, 2028	INE477L08139	105.57	September 28, 2018	August 11, 2028	Market Linked	3,605	CRISIL PP-MLD AAr/Stable
	Total		**4,103.70**					

Penalty Clause

In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period (ii) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

Event of Default

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Unsecured Debentures:

a) When the Company defaults in payment of the principal amounts of Unsecured Debentures on the due dates(s);

b) When the Company makes a default in the payment of any interest on the Unsecured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;

c) When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;

d) When the default is committed in the performance or observance of any covenant, condition or provision in relation to the unsecured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e) Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other 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;

f) Any information, representation, warranty, statement, certificate given by the Company to the Unsecured Debenture Holders or the Debenture Trustee and the warranties given or deemed to have been given by it to the Unsecured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;

g) If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty five) days of being admitted;

h) The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;

i) The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Unsecured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j) If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Unsecured Debentures;

k) The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l) If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Unsecured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be effected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m) The company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the unsecured debentures;

n) In the event any breach of the terms of the relevant information memorandum, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Unsecured Debentures 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 by the Debenture Trustee to the Company requiring the same to be remedied.

C. Details of Unsecured Term Loans

Our Company's Unsecured term loans amount to ₹ 4,500.00 million as on September 30, 2021. The details of the borrowings are set out below:

Sr. No.	Lender's Name	Date of Sanction	Amount Sanctioned (₹ in million)	Amount Outstanding as on September 30, 2021 (₹ in million)	Final Maturity Date	Repayment Schedule
1	Punjab and Sind Bank	September 30, 2021	4,500.00	4,500.00	November 02, 2021	Bullet Repayment
	Total			**4,500.00**		

D. Details of any inter-corporate loans, deposits and other borrowings

Sr. No.	Lender's Name	Date of disbursement	Rate of Interest	Maturity date	Amount outstanding as on September 30, 2021
NIL					

E. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

In the past 3 years preceding the date of this Tranche II Prospectus, there has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any financing facilities or term loan or debt security including corporate guarantee issued by the Company.

F. The amount of corporate guarantee issued by the company along with the name of the counter party on behalf of whom it has been issued

The Company has not issued any corporate guarantee on behalf of IIFL Home Finance Limited as on September 30, 2021.

G. List of top 10 debenture holders* (secured and unsecured) as on September 30, 2021

S. No.	Name	Outstanding face value (₹ in million)	NCD holding % as a % of total NCD
1	Life Insurance Corporation Of India	6,000.00	23.97%
2	Indian Oil Corporation Ltd Employees Provident Fund	1,280.00	5.11%
3	ICICI Prudential Mutual Fund	1,000.00	3.99%
4	State Bank Of India	1,000.00	3.99%
5	IOCL Employees Prmb Fund	790.00	3.16%
6	HDFC Mutual Fund	580.00	2.32%
7	HDFC Bank Limited	562.50	2.25%
8	HDFC Life Insurance Company Limited	500.00	2.00%
9	Food Corporation Of India Cpf Trust	500.00	2.00%
10	Bochasanwasi Shriaksharpurushottam Swaminarayan Sanstha	400.00	1.60%
10	L & T Mutual Fund	400.00	1.60%

H. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on September 30, 2021.

For the Point (B), our Company has issued the following NCDs at premium:

S. No.	Particulars	ISIN	Date of Allotment	Coupon	Date of Maturity	Issue Price (₹ in million)	Amount Outstanding (₹ in million)
1	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D6 Reissue. **Date of Maturity** May 14, 2030	INE477L07AJ7	September 13, 2021	8.70%	May 14, 2030	100.9598	364.95
2	8.70% Secured Listed Redeemable Non Convertible Debentures. Series D6 Reissue. **Date of Maturity** May 14, 2030	INE477L07AJ7	September 24, 2021	8.70%	May 14, 2030	100.9539	156.40

For the Point (C), our Company has issued the following NCDs having embedded option in it:

S. No.	Particulars	ISIN	Date of Allotment	Coupon	Date of Maturity	Call option period	Amount Outstanding (₹ in million)
1	10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11.	INE477L07982	December 20, 2018	10.33%	December 19, 2025	December 12, 2023	161.69

S. No.	Particulars	ISIN	Date of Allotment	Coupon	Date of Maturity	Call option period	Amount Outstanding (₹ in million)
	Date of Maturity - December 19, 2025						
2	8.96% Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option 1. Date Of Maturity - November 15, 2019, May 15, 2020, November 15, 2020, May 15, 2021, November 15, 2021, May 15, 2022	INE477L07AC2	May 15, 2018	7.51%	May 13, 2022	May 15, 2019, November 15, 2019, May 15, 2020, November 15, 2020, May 15, 2021, November 15, 2021, May 15, 2022	580.15
3	9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date of Maturity - February 2, 2028	INE477L08105	February 28, 2018	9.05%	February 28, 2028	After 6 years from the deemed date of allotment	105.05
4	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date of Maturity - June 16, 2028	INE477L08113	June 18, 2018	9.85%	June 16, 2028	After 7 years from the deemed date of allotment	410.23
5	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date of Maturity - July 13, 2028	INE477L08121	July 13, 2018	9.85%	July 13, 2028	After 7 years from the deemed date of allotment	305.13
6	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date of Maturity - August 11, 2028	INE477L08139	August 14, 2018	Market Linked	August 11, 2028	May 14, 2024	1,304.86
6	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date of Maturity - August 11, 2028	INE477L08139	September 11, 2018	Market Linked	August 11, 2028	May 14, 2024	240.47
6	G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date of Maturity - August 11, 2028	INE477L08139	September 28, 2018	Market Linked	August 11, 2028	May 14, 2024	105.57
7	10.05% Secured Rated Listed Redeemable Non-Convertible Debenture. Series C13. Date of Maturity March 20, 2026	INE477L07AA6	March 20, 2019	10.05%	March 20, 2026	March 2020, 2024	150.00

Other than the securities mentioned above, our Company has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on September 30, 2021.

I. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on September 30, 2021

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds or convertible debentures and preference shares, as on September 30, 2021.

Restrictive covenants under the financing arrangements:

The Company requires the prior written consent of lenders/debenture trustee to undertake the following actions:

(a) Change or in any way alter the capital structure.

(b) Effect any scheme of amalgamation or reconstruction.

(c) Effect any change in control of the Company

(d) Implement a new scheme of expansion or take up an allied line of business or manufacture.

(e) Declare a dividend or distribute profits after deduction of taxes, except where the instalments or principal and interest payable to the lenders in respect of the aforesaid arrangements are being paid regularly and there are no irregularities whatsoever in respect of any of the aforesaid arrangements.

(f) Enter into contractual obligations of a long-term nature or affecting the company financially to a significant extent.

(g) Permit any transfer of the controlling interest or make any drastic change in the management set-up.

SECTION IV - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Our Company is required to disclose in this Tranche II Prospectus, details of pending litigation involving our Company, our Promoter, our Directors, our Subsidiary, our Group Companies, and any other persons, which could have a material adverse effect on the position of our Company.

Additionally, in relation to our Company we are required to disclose the following:(a) pending proceedings initiated against our Company for economic offences; (b) material regulatory proceedings against our Company; (c) default and non-payment of statutory dues, etc.by our Company; (d) acts of material frauds committed against our Company in the three years preceding the date of this Tranche II Prospectus; (e) any inquiry, inspection, or investigation initiated or conducted under the Companies Act, 1956 / Companies Act, 2013 in the last three years immediately preceding the year of the issue of this Tranche II Prospectus.

Further, in relation to our Promoter, we are additionally required to disclose (a) any litigation or legal action pending or taken by any ministry or department of the Government or a statutory body / authority against our Promoter during the last three years immediately preceding the year of the issue of this Tranche II Prospectus and (b) pending material regulatory proceedings against our Promoter.

In terms of the Materiality Policy, all outstanding criminal proceedings, tax proceedings, and actions by statutory / regulatory authorities involving our Company, our Promoter, our Directors, and our Group Companies, are deemed to be material. Further, in relation to our Company and our Promoter, such other pending litigation / arbitration proceeding has been considered material if (a) the quantified monetary amount of the claim by, or against, our Company or Promoter in any such pending proceeding exceeds 1% of the standalone profit after tax of the Company as on March 31, 2021 i.e. ₹ 40.11 million rounded off to ₹ 40 million; and (b) where the monetary liability is not quantifiable, the outcome of such litigation proceeding may have a material adverse effect on the position, business, operations, prospects, credit quality or reputation of our Company. Additionally, in relation to our Group Companies and our Directors, such other pending litigation / arbitration proceeding has been considered material in the event that the outcome of such proceeding may have a material adverse effect on the position, business, operations, prospects, credit quality, or reputation of our Company.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation involving our Company

1. Litigation whose outcome could have a material adverse effect on our Company

(i) *Criminal proceedings*

Against our Company

Except as stated below, there are no outstanding criminal proceedings against our Company, as on the date of this Tranche II Prospectus:

1. A FIR No. 296 dated June 18, 2019 was registered by Devender Kumar at the Faridabad Kotwali Police Station under Sections 120B, 406, 419, 420, 467, 468 and 471 of IPC against unknown person alleging that fraud is committed against him. The complainant availed loan from our Company for the purchase of the property and Company the company is asked to present the transaction documents to support the investigation. The chargesheet has been filed and the matter is pending in the court.

A FIR was registered upon the complaint of Mr. Sushil Jainarayan Karva at Pune Police Station under Sections 120B, 406, 420, 467, 468 and 471 of IPC against India Infoline Finance Ltd., Mr. Nirmal Jain, Mr. Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Ltd. did not reduce the EMI amount despite he had repaid substantial loan amount and that without his permission a co-borrower and the IIFL settled the Arbitration proceedings for ₹ 70,000 and released the mortgaged property without his permission. He further alleged that IIFL misused his blank cheques given as security and filed false 138 complaints in Gurgaon court. The police filed the closure report treating the matter as civil in nature and the matter is pending before court.

By our Company

1. 21911 criminal complaints have been filed by our Company against the customers or borrowers of our Company before various judicial forums under Section 138 of the NI Act and Section 25 of the Payment and Settlement Systems Act, 2007 for cheques and ECS that bounced on presentation. The aggregate amount involved in these matters is approximately ₹ 5,0022.08 million. These matters are currently pending.

2. A FIR No. 130/2016 dated April 6, 2016 was filed by our Company at the Ashok Nagar Police Station, Bengaluru, against Tanveer Pasha and other co-borrowers ("Accused") alleging, among others, cheating and criminal breach of trust under Sections 420, 465, 467 and 468 of the IPC. It was alleged that the Accused had conspired with certain builders to cause a loss to our Company by way of wrongfully inducing our Company to disburse a loan of ₹ 11.3 million in their favour. The charge sheet has been filed.

3. A FIR No. 978 dated October 16, 2018 was registered by our Company at the Jahangirabad Police Station, Bhopal against Ramesh Bachhani ("Accused"), alleging among other things, trespassing and causing damage to the mortgaged property by the Accused under Section 448 of the IPC. Our Company had received possession of the property subsequent to filing an application under Section 14 of the SARFAESI Act. Our Company had previously disbursed a loan of ₹ 26.34 million in favour of the Accused. It was alleged that the Accused had conspired to cause a loss to our Company. The matter is pending investigation.

4. A FIR No. 202/2016 dated November 8, 2016 was registered by our Company at the Kalyan Police Station, District Thane, Mumbai against Anand Rajaram Yadav ("Accused"), alleging among other things, cheating and criminal breach of trust under Sections 420 and 406 of the IPC. It was alleged that the Accused had conspired to cause a loss to our Company by raising funds on the same property from different lenders multiple times. Our Company had disbursed a loan of ₹ 3.15 million in favour of the Accused. Accused has been arrested. The matter is pending before the court and scheduled for hearing dated December 23, 2021.

5. A FIR No.3 dated January 2, 2017 was registered by our Company at the Navrangpura Police Station, Ahmedabad, against Mihir Desai ("Accused") alleging among other things, cheating and criminal breach of trust under Sections 402, 406, 465,467,468, 420 and 431 of the IPC. It was alleged that the Accused had conspired to cause a loss to our Company by creating a subsequent mortgage on property previously mortgaged in favour of our Company and entering into an agreement for transfer of title and possession of the mortgaged property to third parties. Our Company had disbursed a loan of ₹ 31.31 million in favour of the Accused. Accused has been arrested and currently on bail. Our Company has filed Criminal Miscellaneous Application before City Civil and Sessions Court, Ahmedabad for cancellation of bail of the accused borrower. Further, our Company has sold the secured asset as per the provisions of SARAFESI Act. The case is pending in court and scheduled for hearing dated December 14, 2021.

   A FIR No. 347/2015 dated September 10, 2015 was registered by our Company at the Vidhayak Puri Police Station, Jaipur, against Prem Chand Sharma ("Accused") alleging among other things, cheating and criminal breach of trust under Sections 120B, 406, 420, 463, 467, 468 and 471 of the IPC. It was alleged that the Accused had conspired to cause a loss to our Company by creating a subsequent mortgage on property previously mortgaged in favour of our Company and entering into an agreement for transfer of title and possession of the mortgaged property to third parties. Our Company had disbursed a loan of ₹ 1.11 million in favour of the Accused. The matter is pending before court and scheduled for hearing dated December 14, 2021.

6. A FIR dated May 21, 2019 was registered by our Company at the Malad Police Station, Mumbai against Subir Chakrabourty ("Accused"), alleging among other things, trespassing and causing damage to the mortgaged property by the Accused under Sections 448, 427 and 34 of the IPC. Our Company had received possession of the property subsequent to filing an application under Section 14 of the SARFAESI Act. Our Company had previously disbursed a loan of ₹ 49.90 million in favour of the Accused. It was alleged that the Accused had conspired to cause a loss to our Company. The case is pending in court and scheduled for hearing dated July 7, 2021.

7. A FIR dated September 7, 2019 was registered by our Company at the Udyog Vihar Police Station, Gurugram against Dwarkadheesh Project Private Limited and six borrowers of our Company ("Accused"), alleging that the Accused had conspired to cause loss to our Company. Our Company had previously disbursed a loan of ₹ 10.64 million in favour of the Accused. This complaint is against the builder/developer i.e. Dwarkadeesh Project Private Limited and involves seven loan facilities. Out of the seven loan facilities sanctioned to the developer, two loan facilities have been closed as settled. The matter is under investigation.

8. A FIR No. 266/20 dated June 11, 2020 was registered by our Company at the Para Police Station, Lucknow against

Ankit Gupta, Santosh Kumar and Meewati ("Accused") under Sections 419, 420, 467, 468 and 471 of IPC, alleging inter alia, cheating and criminal breach of trust, forgery and caused a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 3.16 million in favour of the accused. The matter is under investigation.

9. A FIR dated October 21, 2019 was registered by our Company at Kotwali Police Station, Kanpur City against Rajveer Singh Bhaduria and other co-borrowers ("Accused") under Sections 120B, 504, 406 and 420 of the IPC, alleging that the Accused had conspired to commit cheating, criminal breach of trust and cause a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 3.46 million in favour of the Accused. Chargesheet has been filed by the Police and the matter is pending in the court.

10. A FIR dated January 24, 2020 was registered by our Company at the Ashok Nagar Police Station, Jaipur against Giriraj Ratan Daga and other co-borrowers ("Accused") under Sections 120B, 406, 409, 420, 467, 468 and 471 of the IPC, alleging that the Accused had conspired to commit cheating, forgery and cause a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 38 million in favour of the Accused. Chargesheet has been filed by the Police and the matter is pending before court.

11. A FIR dated January 27, 2021 was registered by our Company at the Udyog Vihar Police Station, Gurugram against Ashok Kumar and others co-borrowers ("Accused") under Sections 120B, 419, 420, 467, 468, 34 and 471 of IPC, alleging that the Accused had conspired to commit cheating, cheating by personation, forgery and cause a wrongful loss to our Company. Our Company had disbursed a loan of ₹ 20.3 million in favour of the Accused and the outstanding amount is ₹ 22.5 million. Currently, the matter is under investigation.

12. A FIR dated November 16, 2015 against Uttam Kr. Asrani was registered against IIFL in the ordinary course of business, in relation to its home loan/loan against property portfolio. The allegations have been lodged for cheating under various Sections 420, 406, 463, 464, 467, 468, 471 and 120B of IPC. The matter is pending for further investigation by the concerned office.

(ii) *Material civil litigation*

Against our Company

Except as stated below, there are no outstanding material civil proceedings against our Company, as on the date of this Tranche II Prospectus:

1. An application under Section 17 (1) of the SARFAESI Act dated September 2, 2019 was filed by Corporation Bank with the Debt Recovery Tribunal at New Delhi, for restraining our Company to initiate SARFAESI proceedings against the few residential units of the project land allegedly secured with Corporation Bank. The project land is secured with our Company and our Company has enforced the secured assets i.e. entire project land under Section 13(2) of the SARFAESI Act. The application has been made against our Company and Elegant Infracon Private Limited, being aggrieved by the action initiated by our Company under the SARFAESI Act for the liquidation of the security created by Elegant Infracon Private Limited, of which seven units were funded by Corporation Bank. The claim amount involved is ₹ 97.5 million and the matter is currently pending.

2. A Securitisation Application dated February 11, 2019 has been filed by Sunstar Mercantile Company Limited ("Borrower") under Section 17 (1) of SARFAESI ACT against our Company before Debt Recovery Tribunal, Mumbai seeking stay on sale of the property that is mortgaged by the Borrower with our Company. Our Company has initiated SARFAESI proceedings against the Borrower due to the non-repayment of loan. However, settlement has been arrived between the parties and Borrower is paying payment as per the settlement terms. The claim amount involved is ₹ 49.42 million. The matter is currently pending for hearing.

3. An interim application no. SA(L)No 242/2019 dated December 24, 2020 has been filed by Balaji Cars Pvt Ltd. ("Borrower") against our Company in Securitisation Application 69 of 2019, seeking stay on the recovery proceeding initiated by our Company and seeking direction for our Company to provide all documents and notices pertaining to the SARFAESI proceedings with regard to properties i.e. Shristi Complex and Mohan Mill Compound. Our Company has initiated SARFAESI proceeding against the borrower due to the non-repayment of loan. Matter is currently pending for hearing. The claim amount involved is ₹ 50.69 million.

4. An application bearing no. SA 69/2019 dated March 25, 2019 has been filed by Balaji Cars Pvt Ltd. ("Borrower") before DRT, Mumbai against our Company challenging recovery proceedings initiated by our Company against the Borrower due to non-repayment of loan under SARFAESI Act. Our Company had initiated proceedings SARFAESI Act for sale

of following two secured properties that have been mortgaged with our Company by the borrower against the loans advanced (a) Shristi Complex; (b) Mohan Mill compound. The claim amount involved is ₹ 50.69 million. Matter is pending for arguments.

5. An application bearing no. 50 of 2019 dated March 28, 2019 has been filed by Balaji Cars Pvt Ltd. ("Borrower") before Debt Recovery Tribunal, Mumbai ("DRT") against our Company seeking stay on the SARFAESI Proceedings. In this matter, our Company has initiated SARFAESI proceeding and took possession of the secured assets due to the non-repayment of ₹ 80.77 million in relation to a loan availed by Borrower. Our Company is contesting the matter and the matter is pending before the DRT.

6. Yamuna Reality Private Limited ("Borrower") has availed loan facility from our Company for development of a project and mortgaged 15.75 acres of project land. Borrower has defaulted in repayment of loan and resultantly, the loan is classified as NPA. Thereby, our Company had initiated SARFAESI proceedings to enforce the security. Subsequently, our Company filed application before District Magistrate, Palghar for seeking actual possession of the secured property and the same was allowed by District Magistrate, Palghar. Thereafter, Borrower has filed Securitisation Application before Debt Recovery Tribunal, Mumbai ("DRT") to challenge the order passed by DM Palghar under Section 14 under SARAFESI Act and the same is pending for final hearing. The claim amount involved is ₹ 40.94 million. There is no stay on SARAFESI Proceeding.

7. An application no. 10/2020 was filed by Yamuna Reality ("Borrower") under Section 11 of Arbitration and Conciliation Act, 1996 before Bombay High Court, challenging the appointment of arbitrator under the arbitration proceedings initiated by our Company. the claim was filed as against the Borrower due to non-payment of outstanding dues. Currently, the petition is pending for filing of reply and hearing.

8. An application no. 12/2020 dated January 6, 2020 was filed by Yamuna Reality ("Borrower") under Section 11 of Arbitration and Conciliation Act before Bombay High Court, challenging the appointment of arbitrator under the arbitration proceedings initiated by our Company. The claim was filed as against the Borrower due to non-payment of outstanding dues. Currently, the petition is pending for filing of reply and hearing

9. A writ bearing no. WP 28162/2019 has been filed by Nemichand Dagaria ("Borrower") for seeking direction to the building officer, municipal corporation for restraining them to dismantle of the property. In this matter our Company is a performa respondent since the property is mortgaged with our Company to secure repayment of the loan amount and our Company has taken possession of the secured property under SARAFESI Act due to the non-repayment of loan by the Borrower. The claim amount involved is ₹ 60.53 million. This matter is pending and yet to listed for hearing.

10. An application bearing no. SA 72/2021 has been filed by Grand Infra Buildtech ("Borrower") against our Company seeking stay of SARAFESI proceeding for enforcing security to recover dues payable by Borrower to our company. Our Company has initiated SARFAESI proceeding against the Borrower due to the non-repayment of loan and the claim amount involved is ₹ 40.94 million. Currently, the matter is pending for hearing.

11. An application was filed by Pavan Kapoor (Borrower) before the Debt Recovery Tribunal II, at Delhi against IIFL Home Finance Limited in respect of SARFAESI proceedings initiated by IIFL HFC due to non-repayment of 156 million in relation to a loan availed by the Borrower. IIFL HFC is contesting the matter and the matter is pending before the DRT, Delhi.

By our Company

1. An arbitration proceeding was initiated by our Company on November 1, 2019 before a sole arbitrator at Delhi, against Rupin Hemant Banker ("RHB") under the provisions of the Arbitration and Conciliation Act, 1996, in relation to recovery of ₹ 106.83 million advanced towards its home loan/loan against property portfolio to RHB. The arbitration proceeding is presently under adjudication before the sole arbitrator.

2. The Writ petition bearing no. WP (LD) No. 8218 of 2021 has been filed by our Company before Bombay High Court, for seeking direction to police authority to provide support in access to the property, which was offered by Rupin Banker ("Borrower") as security with our Company since the concerned builder and society are restraining the officials of our Company to visit the property despite of the fact that our Company has obtained legal possession over the property under SARFAESI Act. The matter is currently pending.

3. An application bearing no. RA 44/2019 filed under Section 18 for a vacation of stay on SARFAESI proceeding obtained by Mr. Subir Chakravorty ("Borrower") in Debt Recovery Tribunal proceeding against our Company. Currently, the

matter is listed for final arguments.

4. M/s Elegant Infracon Private Limited ("Borrower") has availed loan facility from our Company for development of the project namely "Elegant Splendour" with mortgage of entire project land along with unsold units. The Borrower has defaulted the repayment terms of loan facility with our Company. Due to continuous default by the Borrower. Consequently, the Loan Account classified as Non-Performing Asset ("NPA") and thereby our Company has been constrained to initiate recovery proceeding under SARAFAESI Act. Initially, an interim application was filed by the borrower before Debt Recovery Tribunal, whereby they challenged the SARFAESI proceedings initiated by our Company, but the interim application was dismissed and our Company has taken physical possession of the entire project. Subsequently, initiated for the sale of said project by publication (Received expression of interest and EMD amount from the prospective buyer.). Later, DRT passed adverse orders and stayed the sale proceedings. Aggrieved by the order passed by Ld. DRT our Company preferred an appeal bearing no. 89 of 2021 before the DRAT, Allahabad and obtained stay on the DRT order. The appeal was dismissed by DRAT. Our Company has filed the Writ Petition before Allahabad High Court against the order of DRAT. The claim amount involved is ₹ 90.75 million. This Writ is pending.

5. Appeal bearing no Misc. Appeal 150/2021 is filed by IIFL HFL before DRAT, Delhi for operation of the stay granted by DRT, Chandigarh vide its order dated 04th October, 2021 in SA No.150/2021 filed by wife of the deceased co-Borrower late Sh. Akansh Aggrawal against IIFL HFL to restraint IIFL HFL from taking possession of 2nd Floor of the Collateral under SARAFESI proceeding. Appeal filed by IIFL HFL is listed on 20th October, 2021 for filing reply by the Respondent. The Loan facility was availed by Navbharat Impex, Mr. Akansh Aggarwal, Arun Kumar Aggarwal, Mrs. Vishakha Aggarwal and M/s Aar Bee Industries. However, defaulted the replayment term and consequently IIFL HFL constrained to initiate SARFAESI proceeding against the Borrowers to recover its debt.

6. An interim Application bearing no. IA 1141/2021 in IB-25(ND)2021 has been filed by IIFL HFL for taking into record its decision to stay outside of any process to be initiated against the debtor, namely Pawan Kapoor under Chapter III (invocation of personal guarantee) of the Code and enforce its security interest and further permit IIFL HFL to initiate auction proceeding. The subject matter of IA is an residential property secured with IIFL HFL against repayment of Loan availed by Pavan Kapoor from IIFL HFL. Insolvency petition under section 95(1) of IBC. 2016 has been filed before NCLT, Delhi by Volkswagen Finance (P) Ltd against M/s Sterling Motors & CO and invoked personal guarantee of Pawan Kapoor given in favour of Volkswagen Finance (P) Ltd in respect to the separate transaction, to secure debt of M/s Sterling Motors & CO in IBC proceeding initiated by Volkswagan, following which interim Moratorium has commenced/applied. Hence, this IA is filed for opting out in participation in IBC proceeding as IIFL HFL have sufficient collateral. Matter is listed on 02-12-2021.

(iii) *Actions by statutory or regulatory authorities*

Except as stated below, there are no actions initiated against our Company by statutory or regulatory authorities, as on the date of this Tranche II Prospectus:

1. A show cause notice was served by National Housing Bank ("NHB") to IIFL Home Finance Limited ("Company") dated January 10, 2018, that the Company had not complied with the provisions of paragraph 6 of the Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, as the NCDs issued during the financial year 2015-16 were extinguished within a period of 12 months from the date of issue.

   The Company in its reply dated January 10, 2018, submitted that the two transactions relating to extinguishment of NCDs within 12 months from the date of issue had occurred inadvertently while improving the cost of funds of the Company. The Company has not received any further communication on this matter.

2. A show cause notice was served by National Housing Bank ("NHB") to IIFL Home Finance Limited ("Company") dated July 7, 2020. The show cause notice pertained to the non-compliance with the Auditor's Report (NHB) Directions, 2016 ("Directions"). The notice observed that the HFC failed to include a statement on the matters as stated in HFCs-Auditors Report Directions, 2016 in the auditors' report on accounts of the Company for Financial Year 2018-19.

   The Company in its reply dated July 30, 2020, mentioned that the observation made by NHB was not found in their initial supervisory letter dated January 16, 2020. It was further submitted that pursuant to requirement of Para 2 of Housing Finance Companies- Auditor's Report (NHB) Directions, 2016, Statutory Auditors of the Company have submitted a 'separate report to the Board of Directors of the Company on the matters specified in Para 3 and 4' of the subject Directions along with the Auditors report. The Company has not received any further communication on this matter.

(iv) *Tax proceedings*

There are no outstanding tax proceedings involving our Company, as on the date of this Tranche II Prospectus

(v) *Details of pending proceedings initiated against our Company for economic offences*

As on the date of this Tranche II Prospectus, there are no proceedings initiated for economic offences against our Company.

(vi) *Material regulatory proceedings against our Company*

As on the date of this Tranche II Prospectus, there are no material regulatory proceedings initiated against our Company.

2. Default and non-payment of statutory dues by our Company

   As on the date of this Tranche II Prospectus, there are no matters involving our Company for default and non-payment of statutory dues.

3. Material frauds committed against our Company

   Nil

4. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last three years immediately preceding the year of issue of prospectus in the case of company and all of its subsidiaries; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of the prospectus for the company and all of its subsidiaries.

   There has been no inquiry, inspection, or investigation initiated or conducted against our Company under the Companies Act, 1956 / Companies Act, 2013 in the last three years immediately preceding the year of the issue of this Tranche II Prospectus.

5. Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/group companies in the last five financial years, including outstanding action.

   <u>IIFL Securities Limited (Formerly known as India Infoline Limited)</u>

   1. SEBI issued an adjudication show cause notice dated August 10, 2017 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ('SEBI Regulations') read with Section 15 I of Securities and Exchange Board of India Act, 1992 in the matter of United Spirits Ltd SEBI order dated February 23, 2018 imposed penalty of ₹200,000.

   2. SEBI issued an adjudication show cause notice dated July 13, 2017 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ('SEBI Regulations') read with Section 15 I of Securities and Exchange Board of India Act, 1992 SEBI notice includes observations and allegation as follows:- Non disclosure under Regulations 13 (1) read 13(5) of PIT Regulations, 2015 and Regulations 7(1) read with 7(2) of SEBI (SAST) Regulations, 1997 read with Regulation 35 of SEBI (SAST) Regulations, 2011 in the scrip of Shree Ashtavinayak Cine Vision Limited ("SACV"). SEBI vide order dated March 28, 2018 dropped proceedings against our Company.

   3. SEBI issued an adjudication show cause notice dated December 05, 2019 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ('SEBI Regulations') in the matter of Vimala Devi Kalantri in the script of Pantaloon Retail (India) Limited. SEBI vide order dated June 24, 2021 dropped proceedings against our Company.

   4. SEBI issued an adjudication show cause notice dated April 09, 2019 under Rule 4 of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ('SEBI Regulations') read with Section 15 I of Securities and Exchange Board of India Act, 1992 in the matter of Vimala Devi Kalantri dealing in the script of Saint Gobain Sekurit Limited. SEBI order dated July 31, 2019 imposed penalty of ₹3,00,000. The Company has paid the Penalty and filed appeal in SAT.

5. SEBI issued an enquiry notice dated May 2, 2017 based on the inspection conducted during February 2014 covering period from 2011 to 2014 in respect of segregation of clients' funds. It further issued SEBI a notice dated October 28, 2021 based on the inspection. Reply to SEBI notice submitted providing clarification with supporting documents and highlighting the corrective measures adopted and implemented including compliance with SEBI Circular on enhanced risk based supervision. During the span of 3 years from the date of concluding the onsite inspection, 3 supplementary reports were issued in this matter which has been suitably replied. IIFL filed a Consent Application on May 30th 2019 under SEBI Settlement Regulation 2018. Further, additional consent terms filed with SEBI. On August 23, 2021 SEBI rejected Settlement Application. Matter is pending with SEBI.

6. SEBI issued an adjudication notice dated October 28, 2021 based on the inspection conducted during March 2017 covering period from April 01, 2015 to January 31, 2017 in respect of segregation of clients' funds. Our Company is in the process of giving a reply to this notice.

7. SEBI Enquiry notice dated October 28, 2021 based on the inspection conducted during February 2014 (period from 2011 to 2014) and March 2017 (period from April 01, 2015 to January 31, 2017) in respect of segregation of clients' funds. Our Company is in the process of giving a reply to this notice.

8. SEBI issued an adjudication show case notice dated April 16, 2021 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of Alkem Laboratories Ltd. SEBI SCN alleged that the Company has knowingly manipulated the reference price of Alkem for block deal during the afternoon window i.e. VWAP price for the period 13:45 to 14:00 hrs on August 22, 2019 and thereby violating provision of SEBI Act, 1992 and regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market Regulations), 2003 and provisions of code of conduct prescribed under Schedule II read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992. ISL has yet to file its reply in the matter. The company has filed a Consent Application on June 07, 2021 with SEBI under SEBI Settlement Regulation 2018. Matter is pending with SEBI.

9. SEBI issued an adjudication show case notice dated June 10, 2021 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of ICICI Lombard General Insurance Company Ltd. SEBI SCN alleged that the Company has knowingly manipulated the reference price of ICICI Lombard General Insurance Company Ltd. for block deal during the afternoon window for the period 14:05 to 14:20 hrs on September 26, 2019 and thereby violating provision of SEBI Act, 1992 and regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market Regulations), 2003 and provisions of code of conduct prescribed under Schedule II read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992. The company has filed a Consent Application on July 12, 2021 with SEBI under SEBI Settlement Regulation 2018. Matter is pending with SEBI.

<u>IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)</u>

1. The SCN issued for enquiry under the Regulation 5(e) of the SEBI (Intermediaries) Regulations, 2008 & Regulation 7(1) of SEBI (Stock Brokers & Sub Brokers) Regulations, 2015 by SEBI concerning the fit and proper person criteria for considering registration as commodity broker for application for registration dated December 23, 2015. SEBI vide its Order dated February 22, 2109, in exercise of the powers conferred under Regulation 28 of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 read with regulation 7(1) of Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992, declared IICL is "not a fit and proper person" to hold directly or indirectly, the certificate of registration as a commodity derivative broker and hereby, reject the application dated December 23, 2015 filed by IICL for registration as commodity derivatives broker and shall cease to act, directly or indirectly, as a commodity derivatives broker.

2. SEBI issued show cause notices under the Regulation 25(1) of the SEBI (Intermediaries) Regulations, 2008 & SEBI (Stockbrokers & Sub Brokers) Regulations, 2015 and also under Regulation 5(e) of the SEBI (Intermediaries) Regulations, 2008 & Regulation 7(1) of SEBI (Stock Brokers & Sub Brokers) Regulations, 2015 by SEBI concerning the fit and proper person criteria for considering registration as commodity broker to few brokers, including the Company (IICL). The Brokers were directed to submit their reply within the specified time. SEBI vide its Order dated February 22, 2019, declared IICL is "not a fit and proper person" and rejected the application dated December 23, 2015 filed by IICL for registration as commodity derivatives broker and also directed that IICL shall cease to act, directly or indirectly, as a commodity derivative broker. IICL was further directed to allow its Clients to withdraw or transfer their securities or funds within 45 days from the date of this Order. IICL has preferred an Appeal against the said SEBI Order dated February 22, 2019 before the Securities Appellate Tribunal, Mumbai on April 11, 2019 and the matter is currently pending at SAT.

B. Litigation involving our Promoters

I. Litigation whose outcome could have a material adverse effect on IIFL Finance

(i) *Criminal proceedings*

Against our Promoter

Except as stated below, there are no outstanding criminal proceedings against our Promoter, as on the date of this Tranche II Prospectus:

1. Manju Rajesh ("Complainant") filed a criminal complaint bearing number C.M.P. No. 1479/2018 dated November 30, 2018 before the Learned Judicial Magistrate First Class, Chenganoor ("Complaint"), against IIFL and its director Nirmal Jain under Section 190 of the CrPC levelling charges under Sections 420 and 34 of the IPC alleging cheating for not returning gold. IIFL and its director Nirmal Jain is contesting the said Complaint and Quashing petition bearing number 1 of 2018 under Section 482 of the CrPC has been filed Before the Kerala High Court at Ernakulam, wherein by an interim order dated December 3, 2018, all further proceedings in the said complaint have been stayed. The matter is pending for hearing.

2. A FIR no. 77/19 dated March 4, 2019 was lodged by Vijay Baniranka at Kothwali Police Station, Ranchi against IIFL and its employees ("Accused"), under Sections 420, 467, 468, 471, 409, 120(B) of the IPC, alleging inter-alia, cheating and criminal breach of trust for not returning the pledged gold. The matter is under investigation.

3. A notice of cease-and-desist dated February 19, 2019 ("Notice") was issued by Muthoot Finance Ltd to the employee of IIFL. By way of the receipt of Notice IIFL received knowledge of FIR no. 59/2018 dated November 11, 2018 filed with Special Cell Delhi under Section 60 of Information and Technology Act, 2000, as amended, by Muthoot Finance Ltd against the said employee. IIFL is in the process of filing quashing petition against the said FIR. As on the date of this Tranche II Prospectus, IIFL has not received any further notices in connection with the FIR from the concerned Police department.

4. A complaint number 77 of 21 was filed with the Economic Offence Wing by our Company against M/s Shattaf Construction Company and Mr. Shrenik Siroya. Currently, an FIR having reference number 0970 of 2021 has been registered under section 406, 420 and 120B in relation to the same. Here, the matter is pending for further investigation.

By our Promoter

Except as stated below, there are no outstanding criminal proceedings by our Promoter, as on the date of this tranche II Prospectus:

1. A FIR no. 147 dated October 5, 2020 was registered upon the complaint filed by Adv. Anuj Tyagi on behalf of IIFL against Amit Mavi, Arun Kumar, Director of Alisa Infratech Pvt Ltd, and Rohtash Kumar, director of Baya Weaver Ltd. under Sections 420, 406, 409 and 120B of IPC for cheating and embezzlement. The matter is under investigation.

2. IIFL filed an appeal bearing No. 3085/2019 admitted on June 24, 2019 before the PMLA Appellate Tribunal, Delhi against the order passed by the Adjudicating Authority ("PMLA Tribunal"). In this matter, the Enforcement Directorate has attached the property which is mortgaged with India Infoline Finance Limited and India Infoline Finance Limited challenged the before the PMLA Appellate Tribunal. In this matter, India Infoline Finance Limited initiated SARFAESI proceedings due to the alleged non-repayment of ₹13.29 million in relation to a loan availed by Arvind Casting ("Borrower"). India Infoline Finance Limited is contesting the matter and the matter is pending before the PMLA Appellate Tribunal, Delhi.

(ii) *Material civil litigation*

Against our Promoter

Except as stated below, there are no outstanding material civil proceedings against our Promoter, as on the date of this Tranche II Prospectus:

1. An application dated March 9, 2017 was filed by Shattaf Construction Company Pvt Ltd ("Guarantor") before the Debt

Recovery Tribunal, at Mumbai ("DRT") against IIFL praying that the possession notice dated September 27, 2019, issued by IIFL in relation to the alleged default in repayment of ₹ 511.83 million by the borrower, be declared null and void. The matter is currently pending.

2. Rakesh Sheth ("Petitioner") had filed a public interest litigation on January 21, 2019 against SEBI, the Ministry of Corporate Affairs, Serious Fraud Investigation Office and IIFL before the High Court of Madras. The Petitioner had stated that IIFL is set to raise ₹ 20,000 million via retail bonds and since IIFL Commodities Limited (an associate company of IIFL with common shareholders and common directors) is an accused in the NSEL scam case, IIFL should not be allowed to access funds from the market. The matter is currently pending.

3. IIFL issued a demand notice dated August 25, 2016 and the possession notice dated November 16, 2016 ("Possession Notice") under the SARFEASI Act against the borrower, towards outstanding dues of ₹ 110.61 million with respect to a loan. Ashish Agarwal and Akhil Agarwal ("Borrowers") filed an application before the Debt Recovery Tribunal, Delhi ("DRT") challenging the action under SARFAESI. Further, Union Bank of India ("third party") have also filed applications before DRT to the extent of their respective units in the project against IIFL seeking the demand notice dated August 25, 2016 and the Possession Notice, be declared null and void. IIFL is contesting the matter and the matter is pending before the DRT.

4. Appeal bearing nos. 255/18, 256/18 and 257/18 filed by IIFL in the Debt Recovery Appellate Tribunal ('DRAT') against Yukti E Services, Akshita, Antriksh Cold Storage, Sumeer Infotech Pvt Ltd ("Respondent"), the investors in the project together with the borrower and builder M/s Jaipuria Buildcon, was disposed in favour of IIFL. Consequently, Respondents have filed three corresponding writ petitions in Delhi High Court. The matters are currently pending.

5. A writ petition dated November 12, 2018 was filed by Jaipuria Buildcon Private Limited ("Borrower") against IIFL before the High Court at Allahabad under Article 226 of Constitution of India seeking order under writ of mandamus against IIFL to set aside the notice dated August 25, 2016 and the possession notice dated November 16, 2016 ("Possession Notice"), issued by IIFL be declared null and void. However, order under Section 14 of SARAFESI Act has already been passed by concerned district magistrate. Hence, the writ petition before Allahabad High Court became infructuous. IIFL had issued the Possession Notice in accordance with the provisions of the SARFAESI Act, for the possession and sale of the property mortgaged by the Borrower, due to the alleged non-repayment of ₹ 60.17 million in relation to a loan availed, IIFL is contesting the matter and the matter is pending before the Allahabad, High Court .

6. A Contempt Application No. 1623 of 2021 has been filed by Praful Satra against IIFL in NCLT, Mumbai, seeking certain relief that the Hon'ble Court declare that IIFL has committed contempt of court by not adhering to a consent term dated 9 September 2019. The matter is yet to be listed for hearing.

7. A commercial suit no. C.S COMM 77 OF 2021 is filed by Amit Mavi against IIFL for recovery of money of ₹96,692,511 subject matter of the suit is a 'Commercial Dispute 'as defined under 2 (c) (x) of the commercial courts Act 2015. Further, a recovery suit, C.S COMM 82 of 2021 along with, as per Commercial Courts Act 2015 under Order 11 Rule 12 for discovery of documents has been filed by Mr. Amit Mavi against IIFL. Additionally, Commercial Suit No.4077 of 2021 is pending in Bombay High Court. The said suit is filed for recovery of an amount of ₹ 1,009,719,919 being the amount illegally debited from the project account during moratorium. Amit Mavi has also filed a company petition in NCLT Mumbai under the said Company petition has been filed by Amit Mavi against IIFL to seeking investigation in the affairs of IIFL Finance Ltd, forensic audit to be conducted into the accounts and entries of IIFL, conduct and inspection and audit into the accounts of the IIFL entities, the matter is yet to be listed.

By our Promoter

Except as stated below, there are no outstanding material civil proceedings by our Promoter, as on the date of this Tranche II Prospectus:

1. Company application nos.222/2019 to 227/2019 dated May 22, 2019 were filed by IIFL before the High Court, Bombay ("Court") against Shree Urban Infrastructure Limited ("Company") to seek leave of the Court under Section 446 of the Companies Act, 1956 to file proceedings against the Company thereby seeking specific performance of the agreement for sale of the premises. The matter is currently pending.

2. IIFL ("Petitioner") filed a writ petition no. 7508 of 2012 ("Writ") dated March 6, 2012 before the High Court of Bangalore ("Court") against the State of Karnataka ("Respondent") under Article 226 of the Constitution of India challenging the notice dated August 17, 2011 seeking to bring the Petitioner under the provisions of the Karnataka Money Lenders Act, 1961 and the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The Petitioner has

submitted that the said notice is illegal and unconstitutional and violative of the Reserve Bank of India Act, 1934. The matter is currently pending.

3. Company petition has been filed by IIFL bearing no C.P. (IB) No. 229/BB/2019 on May 29, 2019 before the National Company Law Tribunal ("NCLT") at Bangalore, against M/s Unishire Regency Park, LLP under the provision of the IBC, due to the alleged default in repayment of ₹ 152.21 million towards a construction finance facility and for the recovery of the same. The said petition was admitted vide order dated May 25, 2020 and an interim resolution professional has been appointed by the NCLT.

4. Company appeal/ application has been filed under Section 60(5) of IBC before National Company Law Tribunal, Delhi ("NCLT") in original application bearing no. C.P No. IB 654(PB)/2019 filed by Vishal Fabric against AVJ Developers (India) Pvt Ltd ("AVJ") against interim resolution professional for seeking appropriate directions against resolution for non-verification and admission of claim against AVJ amounting to ₹ 1340.00 million and conducting the meeting of committee of creditor. The said matter is pending before the Tribunal.

5. Corporate Insolvency Procedure were initiated against SPDPL and SPIL. Here, IIFL had submitted its claim amounting to ₹ 1363.27million against SPDPL and the same was admitted. Similarly, IIFL submitted its claim amounting to ₹ 1855.4 and IIFL Home Finance submitted its claims amounting to ₹ 250.62 million against SPIL. However, the claims submitted by IIFL and IIFL Home Finance were rejected. Subsequently, IIFL filed an application against the rejection vide. I.A No 1686 /2020 and IIFL Home Finance initiated an application against the rejection vide. I.A No 1686 /2020. Both the applications are pending before the court.

6. A petition has been filed by India Infoline Finance Limited bearing no C.P. (IB) No. 173/PB/2021 before the National Company Law Tribunal (NCLT) at Delhi, against Jaipuria Buildcon Private Ltd. under the provision of the Insolvency and Bankruptcy Code (IBC), due to the alleged default in repayment of ₹110.61 million finance facility and for the recovery of the same.

7. Section 9 filed by IIFL against Mr. Praful Satra in Delhi High Court. Here, the Justice DK Jain has been appointed as the Arbitrator and an interim relief in form of injunction against creating rights against the properties of the Respondents was granted. The matter shall be listed for settling the points of determination and fixing the schedule for final arguments.

(iii) *Actions by statutory or regulatory authorities*

Except as disclosed in "*Material regulatory proceedings involving our Promoters*" below, there are no actions initiated against our Promoter by statutory or regulatory authorities, as on the date of this Tranche II Prospectus

(iv) *Tax proceedings*

Except as stated below, there are no outstanding tax proceedings involving our Promoter, as on the date of this Tranche II Prospectus:

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Service Tax	6	619.05
Total		6	619.05

Direct tax proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income Tax	7	462.62
Total		7	462.62

II. Material regulatory proceedings involving our Promoters

Except as stated below, there are no material regulatory proceedings against our Promoter, as on the date of this Tranche II Prospectus:

1. A direction dated July 17, 2018 was received by our Promoter from Pension Fund Regulatory and Development Authority ("PFRDA"), listing out the required actions to be complied with, in regard to pending amount of ₹ 0.76 million by the subscribers' deposits with our promoter as registered point of presence for National Pension Scheme as on March 31, 2018. In this regard, IIFL had initiated the required compliances and due periodical reports are being submitted to PFRDA. The compliances on the direction are under progress.

2. SEBI had issued a show-cause notice dated February 4, 2016 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 ("SEBI Regulations") requiring our Promoter to explain the steps implemented towards redressal of investors grievances. The matter was disposed of by the adjudicating officer vide an order dated August 23, 2017 pursuant to the detailed reply submitted explaining the redressal process and requesting disposal of the proceedings.

3. An investigation was launched by SEBI due to front-running alerts generated between December 2019 and August 2020 against Santosh Brijraj Singh, amongst other parties. Santosh Brijraj Singh is an employee of IIFL Asset Management Limited. SEBI's investigation determined that Mr. Singh engaged in front-running by using non-public information to execute trades in various accounts in advance of the mutual funds and other large clients advised by IIFL Asset Management Limited in violation of SEBI regulations. Mr. Singh and other parties then withdrew monies from such personal accounts and profited off the front-running trades. SEBI determined that as a result of the aforementioned violations, Mr. Singh is now barred from the financial services industry and his bank accounts have been frozen. Further sanctions may be issued by SEBI at its discretion. Mr. Singh has additionally been placed on immediate suspension indefinitely by IIFL, pending formal investigation.

III. Litigation or legal action pending or taken by the Government or statutory authority

Except as disclosed in "*Material regulatory proceedings involving our Promoters*", as on the date of this Tranche II Prospectus, there is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory body / authority against our Promoter during the last three years immediately preceding the year of the issue of this Tranche II Prospectus

C. Litigation involving our Directors

I. Litigation whose outcome could have a material adverse effect on our Company

(i) Criminal proceedings

Against our Directors

1. A FIR dated February 3, 2008, was lodged by Namo Jain at Lalkurti Police Station, Meerut, against our director Nirmal Bhanwarlal Jain and two other ex-employees of IIFL Securities Limited (formerly known as India Infoline Limited) ("Accused Persons"), under Sections 406 and 420 of the IPC, alleging inter-alia, cheating and criminal breach of trust by unauthorised trading in the account. The matter was investigated by the police and a charge sheet was filed before the Chief Judicial Magistrate, Meerut against all the persons named as the accused in the FIR. Subsequently, a writ petition was filed by the Accused Persons, before the Allahabad High Court, for quashing of the charge sheet. The Allahabad High Court directed the Accused Persons to file a discharge application before the Chief Judicial Magistrate, Meerut. Accordingly, a discharge application was filed by the Accused Persons. The case is presently pending before Chief Judicial Magistrate, Meerut for hearing.

2. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against our director Nirmal Bhanwarlal Jain and ex-employees of ISL ("Accused Persons") under Sections 406, 420 and 464 of the IPC, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the Complaint, the Chief Judicial Magistrate, passed an order for issuance of process on July 25, 2011. The Accused Persons filed a petition before the Allahabad High Court on April 7, 2014 ("Petition") for quashing the aforesaid order of the Chief Judicial Magistrate. The Allahabad High Court vide its order dated April 22, 2014 admitted the Petition and stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

3. Anil Kumar Tibrewal lodged a FIR dated October 24, 2010 ("FIR") at Sunlight Colony, South East District, Delhi against our directors, Nirmal Bhanwarlal Jain and Venkataraman Rajamani for the offences of cheating, forgery and conspiracy, under Sections 420, 464 along with 120B of the IPC. The FIR is placed before Delhi District Court, Saket, New Delhi and is currently under investigation.

4. A complaint dated October 18, 2013 was filed by Gouri Manjunath Jonniya before Chief Judicial Magistrate, Nagpur, against our directors Nirmal Bhanwarlal Jain and Venkataraman Rajamani ("Accused Persons"), for offence of, *inter alia*, cheating, forgery, criminal breach of trust and misuse of her insurance license under Sections 406, 420 and 464 of the IPC. The Chief Judicial Magistrate, Nagpur passed an order of issuance of process on January 31, 2014. Aggrieved by the order of the Chief Judicial Magistrate, Nagpur, the Accused Persons filed a revision application before the Sessions Court, Nagpur on April 4, 2014 for quashing and setting aside the order of issuance of process. The Sessions Court, Nagpur vide its order dated June 6, 2014 admitted the revision application and stayed the proceedings before the Chief Judicial Magistrate, Nagpur. The case is presently pending before the Sessions Court, Nagpur for hearing.

5. A complaint was received by ISL on December 9, 2012 filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against our directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and Nilesh Vikamsey ("Accused Persons") under Sections 406 and 120B of the IPC, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. The Accused Persons filed a writ petition dated April 10, 2015 before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The matter is presently pending before the Calcutta High Court for further hearing.

6. A FIR dated October 10, 2015 was lodged by Dalip Kumar Garg at Vasant Vihar Police Station, Delhi against IICL and Nirmal Jain and others, under Sections 406, 420 and 120B of the IPC, alleging inter-alia, unauthorised trading, cheating, forgery and criminal breach of trust. The matter is presently being investigated by the police. An application was filed before the Sessions Court for grant of anticipatory bail and the same was granted by the court ("Order"). The matter is currently pending.

7. A FIR no. 0143 dated August 2, 2019 was filed by Vinay Jain (Complainant) before economic offences wing, Delhi against Nirmal Bhanwarlal Jain, Venkataraman Rajamani and other persons ("Accused") under Sections 420, 465, 468, 471 and 120B of the IPC. The matter is under investigation and chargesheet is pending.

By our Directors

As on the date of this Tranche II Prospectus, there are no proceedings initiated by our Director

(ii) Material civil litigation

Against our Directors

1. A commercial suit admitted on January 19, 2017 was filed by Harish Thawani a client of National Spot Exchange Limited ("NSEL"), before the Bombay High Court ("Court"), against India Infoline Commodities Limited ("IICL") its directors and ISL, IIFL Holdings Limited (now IIFL Finance Limited), and its directors, including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. IICL filed its written statement before the Court and the matter is pending for hearing. The litigation includes Nirmal Jain, Arun Purwar and Nilesh Vikamsay and the claim is valued at ₹ 168.10 million.

2. A commercial suit dated July 19, 2016 was filed by Vishvanidhi Dalmia, a client of National Spot Exchange Limited ("NSEL"), before the Bombay High Court ("Court"), against India Infoline Commodities Limited ("IICL"), its directors, employees including the chairman of IIFL Holdings Limited (now IIFL Finance Limited) and NSEL, claiming (a) an amount of ₹ 76 million along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹ 37.85 million and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. It was also prayed for interim/ad-interim relief (b) pending hearing and final disposal appropriate orders for injunction restraining IICL from directly or indirectly assign, selling, mortgage, creating any third party on movable and immovable assets (c) injunction restraining IICL from using ₹113.85 million without the leave of the court (d) independent audit or investigating agency like forensic audit to examine the affairs of IICL (e) order and direction to IICL to pay any amount realized from NSEL and to preserve all the records of the relevant period. Further, Nirmal Jain is also an interested party and the total amount involved in the matter is ₹113.85 million. IICL received the summons on September 12, 2018. The matter is yet to be admitted.

By our Directors

As on the date of this Tranche II Prospectus, there are no material litigation proceedings initiated by our Director.

(iii) Actions by statutory or regulatory authorities

There are no actions initiated against our Directors by statutory or regulatory authorities, as on the date of this Tranche II Prospectus

(iv) Tax proceedings

There are no outstanding tax proceedings involving our Directors, as on the date of this Tranche II Prospectus.

D. Litigation involving our Group Companies

(a) *5Paisa Capital Limited ("5Paisa")*

Legal action taken by statutory or regulatory authorities against 5Paisa

1. With respect to NSE regular inspection conducted in February 2019 for the period 2018-19, a penalty of ₹ 1,60,000 was levied on 5Paisa for the observations pertaining to non-settlement of client funds and securities, non-maintenance of register of securities in the prescribed format, co-mingling of collateral stocks and funded stocks made during the course of said inspection. The penalty in connection with the said observations has been paid by 5Paisa.

2. A penalty of ₹ 200,000 was levied on 5Paisa by NSE for non-upload of Client Funds & Securities Balances for the month of March 2019. The penalty in connection with the same has been paid by 5Paisa.

3. A penalty of ₹ 80,000 was levied on 5Paisa by BSE for delay in upload of holding statement for the month of December 2019. The penalty in connection with the same has been paid by 5Paisa.

4. A penalty of ₹ 50,000 was levied on the company by NSE for release of advertisement without seeking approval of the Exchange. The penalty in connection with the same has been paid by 5Paisa.

5. A penalty of ₹ 3,600 was levied on the company by NSE and BSE for delay in submission of Half Yearly Networth Certificate.

6. A penalty of ₹ 1,500 was levied on the company by NSE for delay in submission of Weekly Client Fund Monitoring.

7. A penalty of ₹ 11,000 was levied on the company by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2020.

8. A penalty of ₹ 17,500 was levied on the company by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

9. With respect to SEBI inspection conducted jointly with BSE, NSE, MCX and CDSL in June 2019 for the period April 1, 2018 to May 31, 2019, a penalty of ₹ 1,362,791 was levied on 5paisa Capital Limited for the observations pertaining to handling of client's funds and securities, Client Funding, Client Registration Process, Analysis of Enhanced Supervision Data made during the course of said inspection. The penalty in connection with the said observations has been paid by 5paisa Capital Limited.

10. A penalty of ₹ 5,000 was levied on 5Paisa by MCX for not assigning proper nomenclature for Bank Account details.

11. A penalty of ₹ 8,000 was levied on 5Paisa by NSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

12. A penalty of ₹ 6,000 was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

(b) IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (Samasta)

Criminal Proceedings by Samasta

1. A complaint dated December 11, 2013 was filed by Ayusha Dairy Private Limited ("Complainant/Amalgamated with Samasta") before the Judicial Magistrate, Coimbatore against Sabari Dairy Private Limited ("Accused") under the Section 138 of the NI Act for dishonor of cheques. The claim amount involved is ₹ 2.5 million. The Judicial Magistrate, Coimbatore, directed the case to be transferred to Judicial Magistrate, Udumalpet, as the cheques which were dishonored were initially presented at Udumalpet. The parties mutually agreed that the Accused will pay ₹ 2.30 million to Ayusha Dairy Private Limited, however Ayusha Dairy Private Limited has only received ₹ 1.08 until the date of this Letter of Offer. The matter is pending before the Judicial Magistrate, Udumalpet for hearing.

(c) *IIFL Commodities Limited ("IICL") (Formerly India Infoline Commodities Limited)*

Civil Proceedings against IICL

1. A commercial suit admitted on January 19, 2017 was filed by Harish Thawani, a client of National Spot Exchange Limited ("NSEL"), before the Bombay High Court ("Court"), against India Infoline Commodities Limited ("IICL") its directors and ISL, IIFL Holdings Limited (now IIFL Finance Limited), and its directors, including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. IICL filed its written statement before the Court and the matter is pending for hearing. The claim is valued at ₹ 168.10 million.

2. A commercial suit dated July 19, 2016 was filed by Vishvanidhi Dalmia ("Plaintiff"), a client of National Spot Exchange Limited ("NSEL"), before the Bombay High Court ("Court"), against IICL, its directors, employees including the chairman of IIFL Holdings Limited (now IIFL Finance Limited) and NSEL, claiming an amount of ₹76 million along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹ 37.85 million and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. The Plaintiff also prayed for interim/ad-interim relief pending hearing and final disposal of the suit (a) restraining IICL from directly or indirectly assigning, selling, mortgaging, creating any third party on its movable and immovable assets, (b) restraining IICL from using ₹ 113.85 million without the leave of the Court (c) conducting independent / forensic audit through an investigating agency to examine the affairs of IICL (d) IICL to pay any amount realized from NSEL and (e) to preserve all the records of the relevant period. The total amount involved in the matter is ₹ 113.85 million. IICL received the summons on September 12, 2018. The matter is yet to be admitted by the Court.

Criminal Proceedings against IICL

1. A complaint dated September 30, 2013 ("Complaint") was lodged by Pankaj Saraf, an investor in National Spot Exchange Limited ("NSEL"), at the MRA Marg Police Station Mumbai against NSEL and other brokers, including IICL, alleging inter-alia, criminal conspiracy, fraud and criminal breach of trust, under Sections 406, 420 and 120B of the IPC. Basis the Complaint, the economic offences wing Mumbai ("EOW"), lodged a FIR against the Accused ("FIR"). IICL provided all the required details and documents and also personally appeared before the EOW and clarified its position in the matter. In connection with the FIR, one of the directors of IICL, Chintan Modi, was arrested by EOW in March 2015 and was subsequently released on bail by the court established under Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999. EOW has filed chargesheet against 63 individuals and companies, including IICL. Mr. Chintan Modi, Director was served with Summons. As directed, Mr. Chintan Modi appeared before the MPID court on April 26, 2019 when his presence was marked and a copy of the Charge sheet was handed over by the Court. The matter is pending for hearing.

2. A FIR dated October 24, 2010 ("FIR") was registered by Anil Kumar Tibrewal at Sunlight Colony, South East District, Delhi against IICL for the offences of cheating, forgery and conspiracy under Sections 420, 464 and 120B of the IPC. The FIR is placed before Delhi District Court, Saket, New Delhi, and is currently under investigation.

3. A show cause notice dated January 6, 2017 was received by IICL from the Serious Fraud Investigation Office ("SFIO"), Mumbai, seeking various details and documents with respect to certain transactions which IICL carried out in National Spot Exchange Limited ("NSEL"). A detailed reply dated January 30, 2017 was submitted with the SFIO, along with all the supporting documents. Further, SFIO issued a notice dated February 24, 2017, addressed to the directors of the IICL for personal appearance before the additional director, SFIO. Chintan Modi, one of the directors of IICL, appeared and provided the requisite details, clarifications and documents as sought by the SFIO. No further communication was received from SFIO.

4. A summons ("Summons") was received by IICL from the Enforcement Directorate ("ED") in relation to the on-going probe in matter concerning NSEL. The matter relates to NSEL default in payouts to its clients in the year 2013 where IICL was the member of National Spot Exchange Limited ("NSEL") in the relevant period. The Summons sought

personal appearance of the directors of IICL, on July 16, 2016 before the ED. Prasanth Prabhakaran and Chintan Modi, directors of IICL, appeared before the ED and provided the necessary explanation and details, as sought by the ED. Further, the ED sought certain additional details and documents from IICL and the same were duly submitted to the ED. Fresh summons dated May 7, 2019 were received from the ED seeking certain details and also the personal appearance of the director, Mr. Chintan Modi on May 15, 2019. Mr. Chintan Modi appeared before the ED on May 15, 2019 and submitted the required details and documents. No further communication has been received. No further communication has been received from ED.

5. A FIR dated July 7, 2015 ("FIR") was lodged by Sumita Kalra at the Moti Nagar Police Station, Delhi against IICL, under Sections 406 and 464 of the IPC, alleging inter-alia, unauthorised trading, forgery and criminal breach of trust. The FIR is being investigated by the police.

6. A FIR dated October 10, 2015 was lodged by Dalip Kumar Garg at Vasant Vihar Police Station, Delhi against IICL and Nirmal Jain and others, under Sections 406, 420 and 120B of the IPC, alleging inter-alia, unauthorised trading, cheating, forgery and criminal breach of trust. The matter is presently being investigated by the police. An application was filed before the Sessions Court for grant of anticipatory bail and the same was granted by the court ("Order"). Against the Order, the complainant has preferred an appeal before the Delhi High Court and matter is pending at the stage of issuance of notice.

Other material pending litigation

1. A demand notice dated September 1, 2014 was received by IICL from the Rajasthan Stamp Office, demanding payment of stamp duty, for the period commencing from September 2007 to March 2012 in relation to the trades carried out by IICL's clients ("Clients"), residing in the state of Rajasthan. IICL, vide its reply dated June 21, 2015, stated that the stamp duty with respect to the trades, was paid to state of Maharashtra until 2011, as the central office of IICL was located in Mumbai. Subsequently, the central office was shifted to the state of Tamil Nadu wherein no stamp duty was levied. Hence, the same was not levied and collected from the Client. The contract notes for the above period were issued to the Clients from both, the Mumbai and Chennai offices. Aggrieved by the demand notice, IICL filed a writ petition dated December 30, 2015 before Rajasthan High Court, requesting it to quash the demand notice. The matter has not been listed and is pending.

Pending actions by statutory or regulatory authorities against IICL

1. A show-cause notice dated October 28, 2016 was received by IICL from designated authority, SEBI ("DA SEBI"), under Regulation 25(1) of the SEBI (Intermediaries) Regulations, 2008 and SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 in the matter of National Spot Exchange Limited payout default. A detailed reply was filed by IICL, along with supporting documents on November 25, 2016. Subsequently, IICL received a fresh show because notice dated April 25, 2017, from DA SEBI under Regulation 28(1) r/w Regulation 7(2) of the SEBI (Intermediaries) Regulations, 2008, along with a copy of the enquiry report, seeking IICL's reply and clarification. IICL sought inspection of the documents and appeared in personal hearings held on January 24, 2018 and February 7, 2018 before the whole-time member, SEBI ("WTM SEBI"). Further, subject to receipt of pending documents sought for inspection, IICL submitted its detailed reply along with all the supporting documents with WTM SEBI on June 18, 2018. WTM SEBI passed an interim order dated August 30, 2018 in this matter ("WTM Order") and directed IICL to submit any additional written submissions within 2 weeks from the date of order and appear for personal hearing on September 27, 2018 before WTM SEBI. Pending hearing before WTM SEBI, IICL vide its letter dated September 17, 2018 applied for withdrawal of its application for registration with the stock exchanges as well as SEBI. SEBI vide its letter dated September 4, 2018 and the stock exchanges vide their emails informed IICL that pending enquiry/SCN, the application for withdrawal of the registration application cannot be entertained. IICL preferred a writ petition before the Bombay High Court against the said letter dated September 4, 2018 issued by SEBI and the WTM Order. The Writ Petition was rejected by the High Court vide its order dated October 4, 2018. Subsequent thereto, the matter was heard by WTM SEBI on October 11, 2018 and October 24, 2018 whereat written and oral submissions were made by IICL. IICL has filed additional written submissions with the WTM SEBI on November 6, 2018. IICL has filed the consent application before SEBI on December 31, 2018. IICL received the second show because notice dated December 27, 2018 from SEBI. IICL submitted its reply alongwith all the supporting documents with SEBI vide its letter dated January 23, 2019. IICL filed a consent application with SEBI on December 31, 2018 under the SEBI (Settlement of Administrative & Civil Proceedings) Regulation 2017. The said Application was returned by SEBI. Further, SEBI vide its order dated February 22, 2019, has declared IICL as "not a fit and proper person" to hold directly or indirectly, the certificate of registration as a commodity derivatives broker and has rejected the application dated December 23, 2015 filed by IICL for registration as commodity derivatives Broker. IICL has preferred an appeal against the said Order before Securities Appellate Tribunal on April 11, 2019 and SEBI filed its reply to the appeal and a rejoinder was thereafter filed by IIFL

Commodities Limited on October 14, 2019. On June 20, 2019, an Intervening Application was filed by NSEL before SAT and the same was admitted by SAT on November 11, 2019. NSEL had also filed an appeal before SAT, inter-alia praying for expunging certain remarks made by SEBI against NSEL, in the aforesaid SEBI order against the broker The tribunal after hearing NSEL and the Brokers dismissed the said appeal filed by NSEL. NSEL preferred an appeal before the Supreme Court challenging the SAT Order. The Supreme Court heard the matter and condoned the delay in preferring an appeal by NSEL. Pursuant to which, NSEL Appeal is clubbed with our Appeal before the SAT. The Tribunal directed IICL and other Brokers to file its reply to NSEL Appeal. Our reply is submitted. The matter is pending for hearing.

(d) IIFL Securities Limited ("ISL") (Formerly India Infoline Limited)

Civil Proceedings against ISL

1. An arbitration application dated August 25, 2015 was filed by Central Business Services Limited ("CBSL") along with Jain Industrial & Commercial Services Private Limited ("JICSL") (collectively, "Claimants") before a private arbitration tribunal ("Tribunal") against ISL. A consolidated statement of claim ("Claims") for an amount of ₹260 million along with interest thereon was filed before the Tribunal. A statement of defense was filed by ISL along with preliminary objections on the maintainability of the claim filed by JICSL and on the clubbing of Claims filed by the Claimants. The Tribunal dismissed the preliminary objections filed by ISL. The Claimants filed a rejoinder and an affidavit of evidence. The pleadings in the matter are completed. The hearing of the matter concluded on March 26, 2018 and the claim is valued at approximately ₹ 260 million. An award dated October 3, 2018 ("Award") was received partly in favour of ISL and partly in favour of CBSL. ISL is in the process of filing of an execution petition in respect of the net receivable of ₹ 3.2 million and application for the return of the amount held in escrow. CBSL has filed an Arbitration Application under Section 34 of the Arbitration and Conciliation Act, 1996 before the Calcutta High Court challenging the Award. ISL is in the process of filing its reply. The matter is currently pending.

Civil proceedings by ISL

1. An application under Section 9 of the Arbitration and Conciliation Act, 1996 dated February 13, 2019 was filed by ISL before the Bombay High Court ("Court") against Harshad Thakkar, claiming an amount of ₹ 302,949,793 for defaulting in the payment of outstanding dues. The Court was pleased to allow the application and issued an interim order. The Court issued an order of injunction on the pledged shares and also attachment order on all the properties disclosed in income tax returns. The Court has directed issue of notice to the respondent and publication of notice. The matter is currently pending.

Criminal proceedings against ISL

1. A summons received by ISL on November 24, 2008 ("Complaint") was filed by GHCL Employees Stock Option Trust ("GHCL ESOP Trust") under the IPC, before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi ("Lower Court") against ISL. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ISL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ISL informed the GHCL ESOP Trust of its outstanding debit of ₹104.80 million and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 104.80 million had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹102.28 million; and (b) alleged that ISL instead of refunding the difference amount of ₹2.52 million asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ISL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. A summons order dated September 27, 2008 ("summons order") was passed by the Lower Court, summoning ISL to face trial for the offences under the provisions of the IPC. ISL filed a petition in the Delhi High Court ("Petition") on March 22, 2009 challenging the Summons order. The Delhi High Court by its order dated December 14, 2009 quashed and set aside the Complaint and the summons order as against ISL. GHCL ESOP Trust filed an Appeal before the Supreme Court against the order of the Delhi High Court on March 11, 2010. By its order dated March 22, 2013, the Supreme Court confirmed the order of the Delhi High Court and held that no offence of cheating is made out against ISL and the matter is presently pending before the Lower Court against ISL.

2. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against ISL under Sections 406, 420 and 464 of the IPC, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the complaint, the Court, passed an order for issuance of process on July 25, 2011. ISL filed a Petition before the Allahabad High Court on April 7, 2014 ("Petition") for quashing the order of the Court. The petition was admitted and the Allahabad High Court vide its order dated April 22, 2014 stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

3. A FIR dated October 12, 2012 ("FIR") was lodged by Mohinder Singh ("Complainant") at the Moti Nagar Police Station, New Delhi against ISL under Sections 420 and 120B of the IPC, alleging unauthorised trading and cheating. A notice was received from the police directing ISL to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the police.

4. A FIR bearing number 76/2015 ("FIR") was lodged by Mohit Gujral ("Complainant") at the Economic Offences Wing ("EOW"), New Delhi against ISL under Sections 405, 120B, 420 and 120B of the IPC, alleging unauthorised trading, cheating and criminal breach of trust. A notice was received from the EOW to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the EOW.
5. A FIR dated March 19, 2014 was lodged by Devender Mohan Singh Negi ("Complainant") at the Moti Nagar Police Station, New Delhi, against ISL, under Sections 420, 468, 471, 406, 34 and 120B of the IPC, alleging unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police directing ISL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided by ISL. No further communication received from the police.

6. A FIR dated May 20, 2014 was lodged by Renu Jain ("Complainant") at the Moti Nagar Police Station, New Delhi, against ISL under Sections 406, 420 and 468 of the IPC for unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police in respect of the FIR directing ISL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided. No further communication received from the police.

7. A Complaint received by ISL on December 9, 2012 was filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against IIFL, ISL, its directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and others under Sections 406 and 120B of the IPC, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. ISL filed a writ petition dated April 10, 2015 ("Petition") before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The matter is presently pending before the Calcutta High Court for further hearing.

8. A complaint dated November 23, 2011 was filed by Seema Bulsara ("Complainant") with the Economic Offence Wing ("EOW"), Mumbai, and the FIR was lodged against Mukti Laheri and 'unknown officials' of ISL, alleging unauthorized trading. A charge sheet was filed by the EOW, Mumbai before the 19th Court, Esplanade, Mumbai against Mukti Laheri and Manish Kumar, an ex-employee of ISL. Further, a supplementary charge sheet ("Supplementary Charge Sheet") was filed by EOW, Mumbai against ISL on April 17, 2015. The matter is presently pending before the 19th Court, Esplanade, Mumbai for hearing and for taking on record the Supplementary Charge Sheet.

9. A criminal complaint dated May 25, 2013 was filed by Ravindra Kumar Thakur before Chief Judicial Magistrate, Bhagalpur, Bihar against ISL and others, alleging, inter alia, criminal breach of trust, cheating and forgery under Sections 406, 417, 420, 467, 468 & 471 of IPC. A summons dated May 4, 2019 was received by ISL on May 8, 2019. The matter is currently pending.

Criminal proceedings by ISL

1. A complaint dated March 7, 2008 was filed by ISL before the Metropolitan Magistrate's Court, Tis Hazari, Delhi, against Kuldeep Singh and Surender Kumar, Ex-employees, for theft and criminal conspiracy under Sections 120A and 379 of IPC. The matter is presently pending for hearing before the said court.

2. A complaint dated February 25, 2013 was filed by ISL before Chief Judicial Magistrate Court, Pune against Devdutt Musale a former employee of ISL, for, the offences of criminal breach of trust, cheating and forgery. The matter is presently pending for evidence.

3. A criminal revision dated December 22, 2016 was filed by ISL before the District and Sessions Court, Hisar, against Tarun Malhotra for restoration of the complaint filed by ISL for offence of, cheating, criminal breach of trust and also for offences punishable under the provisions of the Information Technology Act, 2000. The matter is presently pending for hearing.

4. A complaint dated November 2, 2007 was filed by ISL before the Metropolitan Magistrate Court, Ahmedabad against Ragvendra Singh (former employee), Harsh Dinesh Kaushik (former employee) for offences of, cheating and criminal breach of trust for carrying out unauthorized trading in a client account. The matter is presently pending for hearing before the said court.

5. A complaint was filed by ISL before Police Station PS Kotwali, Bharatpur, Rajasthan against Mukesh Kuntal ("Accused") for the offences of, cheating, forgery and theft. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

6. A complaint was filed by ISL before Civil Line Police Station, Amritsar against Pankaj Ohri ("Accused") for the offences of, cheating, forgery and theft. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

7. A complaint dated May 20, 2011 was filed by ISL before Gautam Buddha Nagar Police Station, Uttar Pradesh against Mohd. Tariq ("Accused") for the offences of cheating and forgery of documents. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

8. A complaint dated December 23, 2015 was filed by ISL before Kothrud Police Station, Pune against Ashpak Hamid Sayyad, Rakesh Natwarlal Solanki, Kalpesh Kantilal Waghela, Prabhat Bhura Patel, ex- employees of ISL ("Accused") for the offence of cheating and forgery of documents. Thereafter, a FIR was registered against the Accused. The FIR is presently being investigated by the police.

Cases filed by ISL under Section 138 of the Negotiable Instruments Act, 1881

1. ISL has filed 17 proceedings against defaulting customers under Section 138 of the NI Act for dishonour of cheques, in various courts. The aggregate of claim amounts filed by ISL are approximately ₹ 431.46 million. The matters are pending before various courts at various stages of adjudication.

Other material pending litigation involving ISL

1. A demand notice dated June 5, 2014 ("Notice") was received by ISL from the Rajasthan Stamp Office, demanding payment of stamp duty for the period commencing from September 2007 to March 2012, in relation to the trades carried out by ISL's clients residing in the state of Rajasthan. ISL, through its reply dated June 21, 2014, stated that the stamp duty with respect to the trades was paid to the State of Maharashtra as the central office of ISL is located in Mumbai and contract notes were issued to the clients from the Mumbai office. Aggrieved by the notice, ISL filed a writ petition before Rajasthan High Court on in April 25, 2015, requesting it to quash the notice. The matter has not been listed and is presently pending before the Rajasthan High Court.

2. IIFL ("Petitioner") filed a writ petition numbered 1650 of 2012 ("Writ") dated January 27, 2012 before the Madhya Pradesh High Court against the State of Madhya Pradesh ("Respondent") under Article 226 of the Constitution of India ("Constitution") challenging the demand notice dated December 1, 2012 issued by the State of Madhya Pradesh seeking to levy stamp duty on the transactions done by the clients of the Petitioner through their trading accounts. The contention raised by the Petition is that unless there is a provision made under the relevant act, no demand for payment of stamp duty in such transaction can be made. The Madhya Pradesh High Court passed an order dated February 10, 2012 directing that no coercive steps be taken against the petitioner till further consideration of the interim prayer. The matter is currently pending.

Legal action taken by statutory or regulatory authorities against ISL

1. A notice dated May 2, 2017 was received by ISL from SEBI, basis an inspection conducted by SEBI during the period between January 30, 2014 and February 3, 2014 covering period from 2011 to 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. ISL had applied for the inspection of documents, which were relied upon by SEBI, in relation to issuance of the enquiry notice. Upon the receiving such documents, ISL submitted reply to SEBI notice providing clarification with supporting documents and highlighting the corrective measures adopted and implemented including compliance with circulars issued by SEBI on enhanced risk based supervision. During the period of three years beginning the date of conclusion of the onsite inspection, three supplementary reports were issued in this matter. Suitable replies were filed by ISL to the reports. IIFL filed a Consent Application on May 30, 2019 under SEBI Settlement Regulation 2018. Further, additional consent terms filed with

SEBI for concluding all pending and contemplated matters through consent procedure. The High Power Committee recommended that the matter may not be settled and accordingly the application was rejected. Matter is pending with SEBI.

2. SEBI issued an adjudication show case notice dated April 16, 2021 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of Alkem Laboratories Ltd. SEBI conducted an examination of block deals to check any manipulation of reference price considered for execution of block deal trades in the scrip of Alkem Laboratories Ltd during the period April 1, 2019 to September 30, 2019 to examine the violation of SEBI Act, 1992, Rules and Regulations, if any. It was alleged that ISL has knowingly manipulated the reference price of Alkem for block deal during the afternoon window i.e. VWAP price for the period 13:45 to 14:00 hrs on August 22, 2019 and thereby violating provision of SEBI Act, 1992 and regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market Regulations), 2003 and provisions of Code of Conduct prescribed under Schedule II read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992. .ISL has filed a Consent Application on June 07, 2021 to SEBI under SEBI Settlement Regulation 2018. Matter is pending with SEBI.

3. SEBI issued an adjudication show case notice dated June 10, 2021 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of ICICI Lombard General Insurance Company Ltd. SEBI conducted an examination of block deals to check any manipulation of reference price considered for execution of block deal trades in the scrip of ICICI Lombard General Insurance Company Ltd during the period April 01, 2019 to September 30, 2019 to examine the violation of SEBI Act, 1992, Rules and Regulations, if any. It was alleged that the ISL has knowingly manipulated the reference price of ICICI Lombard General Insurance Company Ltd. for block deal during the afternoon window for the period 14:05 to 14:20 hrs on September 26, 2019 and thereby violating provision of SEBI Act, 1992 and regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market Regulations), 2003 and provisions of code of conduct prescribed under Schedule II read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992. ISL has filed a Consent Application on July 12, 2021 to SEBI under SEBI Settlement Regulation 2018. Matter is pending with SEBI.

4. A notice dated October 28, 2021 was received by ISL from SEBI, basis an inspection conducted by SEBI covering period from 1st April, 2011 to 30th June, 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. IIFL filed settlement application on January 16, 2017 under SEBI (Settlement and Administrative and Civil Proceedings) Regulations, 2014 with respect to the findings. Accordingly, the adjudication was kept under abeyance till disposal of Settlement Application. Subsequently, the Settlement Application was rejected by the competent authority. SEBI has initiated an adjudication proceeding against ISL and an adjudicating officer has been appointed to inquire and adjudicate the alleged violation.

5. A notice dated October 28, 2021 was received by ISL from SEBI, basis an inspection conducted by SEBI during March, 2017 covering period from 1st April, 2015 to 31st January, 2017. The matter relates to SEBI's observations stating misuse of credit balance of clients' funds for pay-out settlements obligation of debit balance clients. IIFL filed settlement application on January 16, 2017 under SEBI (Settlement and Administrative and Civil Proceedings) Regulations, 2014 with respect to the findings. Accordingly, the findings were kept under abeyance till disposal of Settlement Application. Subsequently, the Settlement Application was rejected by the competent authority. SEBI has initiated an adjudication proceeding against ISL and an adjudicating officer has been appointed to inquire and adjudicate the alleged violation.

6. A notice dated October 28, 2021 was received by ISL from SEBI, basis an inspection conducted by SEBI covering period from 1st April, 2015 to 31st January, 2017 and supplementary inspection I, II and III covering 1st April, 2011 to 30th June, 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds and misuse of credit balance of clients' funds for debit balance clients' funds. IIFL filed settlement application on January 16, 2017 under SEBI (Settlement and Administrative and Civil Proceedings) Regulations, 2014 with respect to the findings. Accordingly, the adjudication was kept under abeyance till disposal of Settlement Application. Subsequently, the Settlement Application was rejected by the competent authority. SEBI has initiated an adjudication proceeding against ISL and an adjudicating officer has been appointed to inquire and adjudicate the alleged violation.

(e) IIFL Insurance Brokers Limited ("IIBL") (Formerly India Infoline Insurance Brokers Limited).

Criminal proceedings against IIBL

1. A FIR bearing no. 25/2015 dated September 16, 2015 ("FIR") was lodged by Ravindra Nath Gangele at the Cyber and

Hi-Tech Crime Police Station, Bhopal, against IIIBL alleging mis-selling of insurance. IIBL has replied to the notice and requisition received from the police in connection with the FIR and no further communication has been received.

Legal action taken by statutory or regulatory authorities against IIIBL

1. Insurance Regulatory Development Authority ("IRDA") issued a show cause notice dated February 26, 2019 stating their observations of inspection on insurance broking business during the period of 2014-15 and 2015-16. A detailed reply was issued to IRDA with the compliances submitted vide a letter dated April 8, 2019. IRDA concluded the proceedings vide order dated November 27, 2019 and imposed penalty of ₹ 20.40 million. IIIBL has filed an appeal with SAT against the IRDA order dated November 27, 2019 and currently the matter is pending in SAT.The next date of hearing is November 26, 2021.

(f) IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited) ("IFSL")

Cases filed by IFSL under Section 138 of the Negotiable Instruments Act, 1881

1. IFSL has filed three proceedings against defaulting vendors under Section 138 of the NI Act, for dishonour of cheques in various courts. The aggregate of claim amounts filed by IFSL is approximately ₹ 7.5 million. The matters are pending before the courts for adjudication.

(g) IIFL Management Services Limited ("IMSL")

Civil Proceeding by IMSL

1. Company Application nos.171/2019 & 173/2019 dated April 9, 2019 was filed by IMSL before the Bombay High Court ("Court") against Shree Urban Infrastructure Limited to seek leave of this Hon'ble Court under Section 446 of the Companies Act, 1956 to file proceedings against Shree Ram Urban Infrastructure Limited, before the Court thereby seeking specific performance of the Agreement for sale of the premises. The matter is currently pending.
Criminal proceedings against IMSL

Criminal proceedings against IMSL

1. A complaint dated October 18, 2013 was filed by Gouri Manjunath Jonniya before Chief Judicial Magistrate, Nagpur, against IMSL and its directors, Nirmal Bhanwarlal Jain and Venkataraman Rajamani, alleging, inter alia, cheating, forgery, criminal breach of trust and misuse of her insurance license under Sections 406, 420 and 464 of the IPC. The Chief Judicial Magistrate, Nagpur passed an order of issuance of process on January 31, 2014. Aggrieved by the order of the Chief Judicial Magistrate, Nagpur, IMSL filed a revision application before the Sessions Court, Nagpur on April 4, 2014 for quashing and setting aside the order of issuance of process. The Sessions Court, Nagpur vide its order dated June 6, 2014 admitted the revision application and stayed the proceedings before the Chief Judicial Magistrate, Nagpur. The case is presently pending before the Sessions Court, Nagpur for hearing.

(h) IIFL Wealth (UK) Limited ("IIFL UK")

Civil Proceeding against IIFL (UK) Ltd

1. A Civil suit has been filed before the High Court of Justice, Business and Property courts of England and Wales, Queens Bench division, Commercial Court ("Court") against IIFL UK, Ramu Ramasamy, Palaniyapan and Amit Shah (collectively, the "Defendants") by Prashant Hasmukh Manek, Sanjay Chandi and EAGM Ventures(Indi) Pvt Ltd ("Claimants"). The Claimants claim that they had agreed to sell their shares in Hermes i Tickets Private Limited to Great Indian Retail Private Limited as a result of certain representations purportedly made by the Defendants. IIFL UK and Amit Shah filed a joint statement of defence with the Court and also responded to Claimants' request for further information. In June 2018, the Claimants filed their reply to the joint statement of defence with the Court. The claim amount in the matter is 26.53 million euros, in addition to such further sums that are to be assessed in respect of consequential losses relating to the earn out consideration. Ramu Ramasamy and Palanniyapan Ramasamy vide their application dated April 25, 2019 to the UK Court, challenged the jurisdiction of the UK Court. Ramu and Palaniyapan have been successful on the jurisdictional grounds, the case has been dismissed against them and their claim was inter alia on basis that claim against IIFL UK is unsound. The Claimants have preferred an appeal against the said judgement. The matter is currently pending.

(i) IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited

IIFL Wealth Prime Limited ("IIFL") has filed a commercial suit under the provisions of the Commercial Court Act, 2015 in the Hon'ble High Court, Bombay in its capacity as the lender under the Master Financing Agreement dated 29th December 2017 (*"the Master Financing Agreement"*) and the mortgagee of certain immovable properties mortgaged with IIFL as security. IIFL has filed the said suit, as the Defendants have committed breaches of the terms and conditions of the Master Financing Agreement including failure to pay to IIFL the outstanding amounts, which compelled IIFL to declare an Event of Default in terms of the Master Financing Agreement and call upon the Defendants to pay the outstanding dues. The Defendants have however, failed and/or neglected to repay IIFL its dues. The said suit has thus been filed by IIFL against (i) Fastgrowth Hospitality LLP; (ii) Purvi Parikh; (iii) Shweta Parikh; (iv) Vrunda Parikh [persons at (i) to (iv) are hereinafter collectively referred to as *"Defendant Nos.1 to 4"*]; (v) Diagrams Realty LLP; (vi) Miten Parikh; and (vii) Bhaven Parikh [persons at (v) to (vii) are hereinafter collectively referred to as *"Defendant Nos.5 to 7"*] *inter alia* seeking (i) to recover from the Defendant Nos. 1 to 4 an aggregate sum of ₹ 243,928,178 being their loan repayment obligations under Master Financing Agreement along with further interest and costs etc.; (ii) enforcement of the mortgages created by the Defendant Nos. 5 to 7 in favour of IIFL as and by way of security for repayment of the said loan in respect of their various immovable properties; and (iii) specific performance/ enforcement of a covenant/ undertaking by which the Defendants have promised to create a mortgage in the favour of IIFL in respect of an immovable property situated in Mumbai. In the said Suit, IIFL is the lender *vis-a-vis* Defendant Nos. 1 to 4 and mortgagee *vis-a-vis* Defendant Nos. 5 to 7. IIFL has been granted ad-interim reliefs of injunction and disclosure to be made by the Defendants vide Order dated 2nd August 2021 passed in the Interim Application. Ad interim relief of injunction granted to IIFL, Further, cOurt directed appointment of Court receiver to take symbolic possession of mortgaged property. Debt assigned to ASREC (India) Limited, same brought on record in court, matter adjorned to 28th October, 2021. IIFL also initiated 3 Arbitration proceedings against Bhaven Parikh, Miten Parikh & Hemant Parikh (Guarantors in account Fastgrowth Hospitality LLP), interim relief received, assignment informed to court and application filed by ASREC to get substituted in the 3 matters.

(j) IIFL Wealth Management Limited ("IIFLWM")

Legal action taken by statutory or regulatory authorities against IIFLWM

1. IIFLWM filed with NSE/BSE the Corporate Governance Report for the quarter ended December 31, 2019 with one-day delay. For the same it paid a fine of ₹ 2,000 each to NSE / BSE.

(k) IIFL Trustee Limited

Material pending litigations

1. IIFL Income Opportunities Fund Series – Special Situations, a Close Ended Debt Scheme of IIFL Private Equity Fund, had subscribed to 1,500 Series I Debentures of face value of ₹100,000 each aggregating to ₹ 1500 million issued by Ashvi Developers Private Limited. The investment was secured, among other securities, by a security provided by Ariisto Developers Private Limited ("ADPL"). There was a default in repayment of debentures, and therefore, an event of default had occurred. One, M/s Dipco Private Limited ("DIPCO"), in its capacity as financial creditor of ADPL, initiated NCLT proceedings against ADPL. NCLT ordered the commencement of corporate insolvency resolution process of ADPL on November 20, 2018. NCLT appointed an Insolvency Resolution Professional ("IRP"). The said IRP issued public announcement calling upon the creditors of ADPL to submit their claims to IRP. In response, IIFL Trustee Limited, acting on behalf of the aforesaid Fund, submitted the Fund's claim amounting to ₹ 3655,905,019 as a financial creditor of ADPL. Some of the creditors who had also filed their claims, challenged the acceptance of the Fund's claim by the IRP filing an application before the NCLT, Mumbai. IIFL Trustee Limited, on behalf of the Fund, has filed the reply in the matter. Pursuant to the order dated November 13, 2019 passed by NCLT, the NCLT rejected the objections made by some creditors to the claim filed by IIFL Trustee Limited. Also, the resolution plan submitted by Prestige Estate Projects Limited was approved by the Committee of Creditors The same is pending for final approval from the NCLT. On November 16, 2019, Dipco filed an appeal before NCLAT, against the dismissal by NCLT of its application. NCLAT rejected the appeal on January 24, 2020 on grounds that challenge to collation of claims by the IRP/RP does not lie after the COC approval of resolution plan. Dipco filed an appeal before the Supreme court against the NCLAT order dated January 24, 2020. The Supreme court dismissed the appeal on February 10, 2020 with a leave to raise appropriate objections before the NCLT in accordance with law. The application for approval of resolution plan i.e. M.A. 3714 of 2020 was listed along with all the pending applications for hearing on October 7, 2020 and October 13, 2020. During the hearing on the aforesaid dates, Adjudicating Authority had directed the RP to file a summary of the effect of the inter-se arrangement between creditors on the distribution matrix. In compliance of the said direction, the RP has e-filed third additional affidavit in M.A. 3714 of 2020. The matter was heard on October 27, 2020 and it is

reserved for final order. The captioned matter was listed on January 20, 2021. The opponent requested to keep back the matter since its Counsel was before some other court. The Adjudicating Authority adjourned the matter to February 1, 2021. After hearing parties, the matter was reserved for final order. Further, Techengg Project Services & Equipments (India) Pvt. Ltd. has filed an appeal bearing no. Comp. App. (AT) (Ins) No. 227 of 2021 with NCLAT. The matter was listed at Sr. No. 3 before Principal Bench of NCLAT on March 24, 2021. Mr. Tishampati Sen along with Devesh Juvekar & Dikshat Mehra appeared on behalf of Resolution Professional and Mr. Apratim Animesh Thakur appeared on behalf of Appellant. The Bench directed Mr. Sen to file Affidavit in Reply in the matter. We have filed the Affidavit in reply by RP with the NCLAT and it has been served to the applicant. The next date of hearing is April 26, 2021. We have also filed Caveat with NCLAT for appeal (if any) filed by Ariisto Alert Residents Association. Ariisto Alert Residents Association filed an appeal before the NCLAT in May 2021. The matter came up for hearing on 16.07.2021 but, due to paucity of time, it got adjourned. The matter is currently pending and next date of hearing is 29.10.2021

2. IDBI Trusteeship Services Limited, in its capacity as the debenture trustee has filed this present Interim Application & Suit inter alia against Opportune Property Developers India Private Limited & Others in relation to issuance of non-convertible debentures ("NCDs") aggregating to ₹ 1300 million in two tranches of ₹ 960 million and ₹ 340 million under two Debenture Trust Deeds both dated March 20, 2018 ("Opportune DTDs"). IIFL Trustee Limited, the trustee for IIFL Yield Enhancer Fund is a debenture holder and plaintiff in the said suit. The total outstanding under Opportune DTDs as on October 19, 2020 is ₹ 1848,128,546. The Bombay High Court was pleased to grant ad-interim reliefs restraining the Respondents from, indirectly or directly, transferring or dealing with their assets and properties. The Interim Application is scheduled on 24th November 2021.

(l) IIFL Asset Management Limited ("IIFLAMIL")

Civil Proceedings Against IIFLAMIL

1. In the year 2015, certain IIFL real estate funds subscribed to non convertible debentures ("NCDs") issued by Sutlej Housing Private Limited ("Sutlej") for an amount of ₹ 880 million (approximately) against the security of mortgage of a land ("Mortgaged Property"). The Mortgaged Property was owned jointly by Sutlej and Nagindas Properties Private Limited ("NPPL") pursuant to certain conveyance deeds, development contract and certain other documents and agreements ("Contracts"). NPPL and certain other persons filed a suit in the Bombay High Court in October 2019 against Sutlej, promoters of Sutlej and connected persons/entities of Sutlej, and certain lenders of Sutlej seeking, among other reliefs, (i) a direction that the Contracts be declared void, (ii) a permanent injunction against lenders including IIFL Asset Management Limited, who is acting as investment manager to IIFL real estate funds that had invested in NCDs of Sutlej, restraining them from acting on the encumbrance created and taking any steps to enforce their charge. However, as one of creditor's application for corporate insolvency resolution process was accepted by the NCLT, Mumbai vide order dated September 25, 2019 a corporate insolvency resolution process got commenced in respect of Sutlej. Such NCLT order further directed the moratorium on all pending suits against Sutlej, and, as such the suit filed by NPPL before the Bombay High Court has been placed in abeyance.

2. IIFL Cash Opportunities Fund had through its Investment Manager IIFL Asset Management Limited subscribed to certain Optionally Convertible Debentures issued by Marvel Sigma Homes Private Limited. The investment was secured, among other securities, by a property situated at Village Hadapsar, Taluka - Haveli, District – Pune. Shri Pramod Tukaram Magar ("Plaintiff No. 1") and seven others ("the Plaintiffs") have claimed that they are the rightful owners of the concerned property and that Marvel Sigma Homes Private Limited ("Defendant No. 1"), the developer of the property, was not authorised to provide the said property as collateral. Therefore, Plaintiffs have filed a Commercial Civil Suit before District and Sessions Court, Pune, against Defendant No. 1 and 11 others praying that the Debenture Trust Deed, pursuant to which the Debenture Subscription was made, be declared null and void. IIFL Cash Opportunities Fund and IIFL Asset Management Limited have also been made defendants although there is no claim made against IIFL Cash Opportunities Fund and IIFL Asset Management Limited. A summons has been served to appear before the District and Sessions Court, Pune on January 1, 2021. The advocate for the defendants requested for a complete set (with exhibits) of the Suit filed by the Plaintiffs. The advocate for the Plaintiffs agreed that they had not provided the entire set to the Defendants and that they would do so the same day. The matter is posted for January 21, 2021. After the last hearing, along with copies of complete set of the Suit (with exhibits) an injunction application of the Plaintiffs was provided. Adjournment applications on behalf of the defendant nos.5 to 12 was filed seeking time to file reply to the injunction application and the same was allowed. Matter is posted on February 12, 2021 for filing of reply to the injunction application of the Plaintiffs. The matter got adjourned to March 6, 2021 as the concerned Judge was on leave. On March 22, 2021, as the judge was on leave, the court *suo moto* gave the next date as April 1, 2021. On April 1, 2021, WS and application challenging the jurisdiction of the Commercial Court was filed on record by Vistra & ICICI. Marvel, being one of the defendants, has also filed an application under Section 8 of the Arbitration and Conciliation Act, 1996, challenging the jurisdiction of the Commercial Court. Next date in the matter is April 22,

2021. We are in the process of filing an application for striking off of IIFL name from the proceedings. The matter got adjourned automatically on serval occasions On 16th September 2021, lawyer of the plaintiff was not present, hence the matter was automatically adjourned to September 23, 2021. Then, matter was adjourned to October 12, 2021. Marvel didn't pursue the application under section 8 of the Arbitration Act. Nothing happened in the matter hence the matter was automatically adjourned to October 30, 2021.

(m) IIFL Capital Inc. ("IIFCI")

IIFCI is registered as a broker dealer with the Financial Industry Regulatory Authority, United States of America ("FRA"). IIFCI, for a period of time, missed to meet the regulatory minimum net capital requirement, due to an inadvertent miss - classification of receivables in books of accounts. IIFCI settled the non-compliance by payment of USD 15,000 to FRA and since then has duly complied with minimum net capital requirement.

Except as stated below, there are no outstanding tax proceedings involving any of our Group Companies, as on the date of this Tranche II Prospectus:

IIFL Securities Limited

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Service tax	2	422.97
Total		2	422.97

Direct tax Proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income tax	1	22.41
Total		1	22.41

IIFL Commodities Limited

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Indirect tax	1	15.60
Total		1	15.60

Direct tax Proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	TDS	2	110.10
Total		2	22.41

IIFL Finance Limited (earlier known as "IIFL Holdings Limited")

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Indirect tax	6	462.60
Total		6	462.60

Direct tax Proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income tax	**9**	634.71

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
Total		9	634.71

India Infoline Finance Limited (now merged with " IIFL Finance Limited ")

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	**Indirect tax**	**0**	**0**
Total		0	0

Direct tax Proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income tax	**6**	200.46
Total		6	200.46

IIFL Facilities Services Limited

Indirect tax proceedings

S. No.	Indirect tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Indirect tax	0	0
Total		0	0

Direct tax Proceedings

S. No.	Direct tax	Number of cases	Approximate amount in dispute (in ₹ million)
1	Income tax	1	26.48
Total		1	26.48

FINANCIAL INFORMATION

Sr. No.	Particulars	Page No.
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2.	Limited review report and Unaudited Financial Results	300

Suresh Surana and Associates LLP
Chartered Accountants
8th Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India.

INDEPENDENT AUDITORS' EXAMINATION REPORT ON THE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021, MARCH 31, 2020, AND MARCH 31, 2019, REFORMATTED STATEMENTS OF PROFIT AND LOSS AND REFORMATTED STATEMENT OF CASH FLOWS FOR THE EACH OF THE YEARS ENDED MARCH 31, 2021, MARCH 31, 2020 AND MARCH 31, 2019 OF IIFL HOME FINANCE LIMITED (COLLECTIVELY, THE "REFORMATTED FINANCIAL STATEMENTS")

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

Dear Sirs,

1) We, M.P. Chitale & Co., Chartered Accountants and Suresh Surana and Associates LLP, Chartered Accountants, the joint statutory auditors of the Company ("**Joint Statutory Auditors**"), have examined the columnar financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 (the "**Reformatted Financial Statements**") of IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited) (the "**Company**" or the "**Issuer**") annexed to this report, comprising the Reformatted Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Reformatted Statement of Profit and Loss (including Other Comprehensive Income), the Reformatted Statement of Cash Flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Reformatted Statement of Changes in Equity and the Statement of Significant Accounting Policies and Notes forming part thereof. The Reformatted Financial Statements including other financial information are to be included in the **Tranche II Prospectus** to be issued under the Shelf Prospectus dated June 29, 2021 (the "**Offer Documents**") for the purpose of proposed public offering of secured, redeemable, non-convertible debentures ("**NCDs**") amounting to ₹ 10,000 million (hereinafter referred to as the "**Tranche II Issue**") which is within a shelf limit of up to ₹ 50,000 million ("**Issue**"). The Reformatted Financial Statements and other financial information have been approved by the Finance Committee of Board of Directors of the Company at their meeting held on November 29, 2021, prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "**SEBI NCS Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"); and

c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered
Accountants of India, as amended from time to time (the "Guidance Note").

Management's Responsibility for the Reformatted Financial Statements and Other Financial Information

2) The management of the Company is responsible for the preparation of:

a) the Reformatted Financial Statements based on audited financial statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the Indian Accounting Standard (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India in accordance with the accounting principles generally accepted in India (the "**Audited Financial Statements**"), which have been approved by the Board of Directors at their meeting held on April 28, 2021, May 23, 2020 and May 13, 2019 respectively and audited by one of the Joint Statutory auditors for Financial year 2020-21 and the previous auditor i.e. Deloitte Haskins & Sells LLP for Financial year 2019-20 and 2018 -19 respectively. The Reformatted Financial Statements have been prepared by the Management of the Company as described in Note 2.1 to the Reformatted Financial Statements.

b) Other financial information as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, approved by the Finance Committee of Board of Directors *vide* Resolution dated November 29, 2021:
   - Statement of Dividend as per Ind AS enclosed as Annexure I;
   - Statement of Capitalization enclosed as Annexure II; and
   - Statement of Accounting Ratios as per Ind AS enclosed as Annexure III.

The management of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Statements and other financial information. The management of the Company are responsible for identifying and ensuring that the Company complies with the Act, the SEBI NCS Regulations and the Guidance Note.

Auditors' Responsibilities

3) Our responsibility is to review, based on procedures we performed, that whether Reformatted Financial Statements and other financial information have been compiled by the management from the Audited Financial Statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

4) We have examined such Reformatted Financial Statements and other financial information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 1, 2021 in connection with the proposed Issue;

b) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Financial Statements ; and

d) The requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act") and the SEBI NCS Regulations.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other assurance and related services engagement issued by the ICAI. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Reformatted Financial Statements

5) The Audited Financial Statements as at and for the years ended March 31, 2020 and March 31, 2019 have been audited by the Deloitte Haskins & Sells LLP, the previous statutory auditors of the Company and issued Auditor's report dated June 5, 2020 and May 13, 2019, respectively. Further, the Audited Financial Statements as at and for the year ended March 31, 2021 have been audited by M.P. Chitale & Co., one of the joint statutory auditors of the Company and issued Auditor's report dated April 28, 2021. The Joint Statutory Auditors have not carried out any audit tests or review procedures, and accordingly, reliance has been placed on the financial statements audited by the aforesaid auditors for the respective years.

6) The Audited Financial Statements as at and for the years ended March 31, 2020 and 2019 have been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure adopted for the financial year ended March 31, 2021. The figures included in the Reformatted Financial Statements, do not reflect the effects of changes in accounting policies or events that occurred subsequent to the date of the reports of the auditors referred to in Para 5 above.

7) The Auditor's Report on the Audited Financial Statements issued by M.P. Chitale & Co. for the financial year ended March 31, 2021 dated April 28, 2021 and by Deloitte Haskins & Sells LLP for the financial years ended March 31, 2020 and March 31, 2019 dated June 5, 2020 and May 13, 2019 respectively, was unmodified and included the following Emphasis of Matter Paragraphs:

For financial year 2020-21

We draw attention to Note 7.1 to the Financial Statements on possible effects of COVID-19 pandemic. Our opinion is not modified in respect of this matter.

For financial year 2019-20

We draw attention to Note 7.1 to the Financial statements, which fully describe that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of COVID 19 pandemic. Our opinion is not modified in respect of this matter.

Opinion

8) Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the report of the auditors as mentioned in Para 5 above, we report that the Reformatted Financial Statements and other financial information have been prepared, in all material respect, on the basis described in Note 2.1 to the Reformatted Financial Statements .

Other Matters

9) In the preparation and presentation of Reformatted Financial Statements based on Audited Financial Statements, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 5 above.

10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the previous statutory auditors, nor should this be construed as a new opinion on any of the financial statements referred to herein.

12) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents prepared by the Company in connection with its proposed Tranche II Issue.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 21102306AAAAGW7725
Certificate No: 11184

Place: Mumbai
Date: November 29, 2021

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 21145160AAAACJ4237

Place: Mumbai
Date: November 29, 2021

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

(₹ in Millions)

Sr. no.	Particulars	Note no.	March 31, 2021	March 31, 2020	March 31, 2019
	ASSETS				
1	**Financial Assets**				
(a)	Cash and cash equivalents	4A	4,123.27	9,251.67	8,068.42
(b)	Bank balance other than (a) above	4B	4,437.40	3,556.63	1,968.94
(c)	Receivables	6			
	(I) Trade receivables		308.23	181.63	291.39
(d)	Loans	7	145,649.23	129,373.21	134,111.56
(e)	Investments	8	1,672.20	534.09	-
(f)	Other financial assets	9	2,337.85	1,375.78	1,116.40
2	**Non-financial Assets**				
(a)	Current tax assets (net)		143.57	128.05	141.15
(b)	Deferred tax assets (net)	10	701.71	336.60	320.08
(c)	Investment Property	11A	70.05	111.83	-
(d)	Property, plant and equipment	11B	24.84	48.72	46.37
(e)	Right of use assets	12A	131.68	238.35	-
(f)	Other intangible assets	12B	1.26	2.94	3.29
(g)	Other non-financial assets	13	37.35	35.44	29.40
(h)	Assets held for sale	14	139.46	-	
	Total Assets		**159,778.10**	**145,174.94**	**146,097.00**
	LIABILITIES AND EQUITY				
1	**Financial Liabilities**				
(a)	Derivative financial instruments	5	292.08	150.27	421.32
(b)	Payables	15			
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		351.58	290.74	477.45
(c)	Lease Liabilities	12A	149.03	253.49	-
(d)	Debt securities	16	21,027.50	23,667.61	30,160.64
(e)	Borrowings (other than debt securities)	17	104,708.22	95,034.18	86,010.35
(f)	Subordinated liabilities	18	4,366.73	4,748.75	6,843.32
(g)	Other financial liabilities	19	5,853.89	2,582.77	5,343.42
2	**Non-financial Liabilities**				
(a)	Current tax liabilities (net)		312.59	76.14	242.84
(b)	Provisions	20	125.78	160.10	132.41
(c)	Other non-financial liabilities	21	1,133.61	210.75	498.43
3	**Equity**				
(a)	Equity share capital	22	209.68	209.68	209.68
(b)	Other equity	23	21,247.41	17,790.46	15,757.14
	Total liabilities and equity		**159,778.10**	**145,174.94**	**146,097.00**
See accompanying notes forming part of the reformatted financial statements		**1-48**			

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

Place: Mumbai
Date: November 29, 2021

For Suresh Surana and Associates LLP
Chartered Accountants

Ramesh Gupta
Partner

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

(₹ in Millions)

Sr. no.	Particulars	Note no.	FY 2020-21	FY 2019-20	FY 2018-19
	Revenue from Operations				
(i)	Interest income	24	17,786.63	16,370.31	16,283.95
(ii)	Dividend Income	25	40.71	-	-
(iii)	Fees and commission income	26	647.38	619.94	687.55
(iv)	Net gain on fair value changes	27	185.01	203.52	227.39
(v)	Net gain on derecognition of financial instruments under amortised cost category	28	909.93	234.86	284.46
(vi)	Net gain on modification of financial instruments under amortised cost category		-	-	0.96
(I)	**Total Revenue from Operations**		**19,569.66**	**17,428.63**	**17,484.31**
(II)	**Other Income**	29	1,107.84	601.58	976.79
(III)	**Total Income (I+II)**		**20,677.50**	**18,030.21**	**18,461.10**
	Expenses				
(i)	Finance cost	30	10,532.73	10,866.45	11,022.55
(ii)	Net loss on modification of financial instruments under amortised cost category		73.27	-	-
(iii)	Impairment on financial instruments, including write-offs	31	2,716.87	1,294.01	198.86
(iv)	Employee benefits expenses	32	1,584.43	1,696.30	1,895.49
(v)	Depreciation, amortization and impairment	11A-12B	81.43	88.92	22.78
(vi)	Other expenses	33	588.93	780.13	827.51
(IV)	**Total Expenses**		**15,577.66**	**14,725.81**	**13,967.19**
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		5,099.84	3,304.40	4,493.91
(VI)	**Exceptional Item**	35	-	15.04	-
(VII)	**Profit Before Tax (V -VI)**		**5,099.84**	**3,289.36**	**4,493.91**
(VIII)	**Tax Expenses:**				
	(i) Current tax	34	1,419.33	855.10	1,434.00
	(ii) Deferred tax	10	(331.41)	(117.43)	4.38
	(iii) Tax of earlier years	34	0.97	(8.63)	(8.40)
	Total Tax Expenses		**1,088.89**	**729.04**	**1,429.98**
(IX)	**Profit before impact of change in the rate of Corporate tax on Opening Deferred Tax (VII-VIII)**		**4,010.95**	**2,560.32**	**3,063.93**
(X)	Impact of change in the rate of Corporate tax on Opening Deferred Tax	34	-	111.10	-
(XI)	**Profit for the year (IX-X)**		**4,010.95**	**2,449.22**	**3,063.93**
(XII)	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit (liabilities)/assets		15.58	(5.51)	(14.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.92)	1.39	5.01
	Subtotal (A)		**11.66**	**(4.12)**	**(9.33)**
	B (i) Items that will be reclassified to profit or loss				
	(a) Cash Flow Hedge (net)		(47.75)	(43.58)	(245.24)
	(b) Fair value of loans carried at FVTOCI		(7.64)	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		13.94	10.97	147.23
	Subtotal (B)		**(41.45)**	**(32.61)**	**(98.01)**
	Other Comprehensive Income (A+B)		**(29.79)**	**(36.73)**	**(107.34)**
(XIII)	**Total Comprehensive Income for the year (XI+XII)**		**3,981.16**	**2,412.49**	**2,956.59**
(XIV)	**Earnings per Equity Share of face value of Rs. 10 each (for continuing operations)**	36			
	Basic (Rs.)		191.29	116.81	150.91
	Diluted (Rs.)		191.29	116.81	150.91
See accompanying notes forming part of the reformatted financial statements		**1-48**			

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

For Suresh Surana and Associates LLP
Chartered Accountants

Ramesh Gupta
Partner

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: November 29, 2021

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

A. Equity Share Capital **(₹ in Millions)**

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2021	209.68	-	**209.68**
As at March 31, 2020	209.68	-	**209.68**
As at March 31, 2019	199.68	10.00	**209.68**

B. Other Equity **(₹ in Millions)**

Particulars	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income			Total
						Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance as at April 01, 2018	**7,002.57**	**-**	**962.70**	**1,133.80**	**2,767.13**	**(4.09)**	**-**	**-**	**11,862.11**
Profit for the year	-	-	-	-	3,063.93	-	-	-	**3,063.93**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(98.01)	-	**(98.01)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	(9.33)	-	-	**(9.33)**
Equity Dividend (Refer Note 5)	-	-	-	-	(41.94)	-	-	-	**(41.94)**
Dividend Distribution Tax	-	-	-	-	(8.62)	-	-	-	**(8.62)**
Transfer to General Reserve (Refer Note 1)	-	938.60	-	(938.60)	-	-	-	-	**-**
Transfer to Special Reserve (Refer Note 2)	-	-	613.00	-	(613.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve (Refer Note 6)	-	-	-	221.55	(221.55)	-	-	-	**-**
Additions during the year (Net) (Refer Note 7)	989.00	-	-	-	-	-	-	-	**989.00**
Balance as at March 31, 2019	**7,991.57**	**938.60**	**1,575.70**	**416.75**	**4,945.95**	**(13.42)**	**(98.01)**	**-**	**15,757.14**
Profit for the year	-	-	-	-	2,449.22	-	-	-	**2,449.22**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(32.61)	-	**(32.61)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	(4.12)	-	-	**(4.12)**
Equity Dividend (Refer Note 5)	-	-	-	-	(314.52)	-	-	-	**(314.52)**
Dividend Distribution Tax	-	-	-	-	(64.65)	-	-	-	**(64.65)**
Transfer to General Reserve (Refer Note 1)	-	500.00	-	(500.00)	-	-	-	-	**-**
Transfer to Special Reserve (Refer Note 2)	-	-	493.00	-	(493.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve (Refer Note 6)	-	-	-	83.25	(83.25)	-	-	-	**-**
Balance as at March 31, 2020	**7,991.57**	**1,438.60**	**2,068.70**	**-**	**6,439.75**	**(17.54)**	**(130.62)**	**-**	**17,790.46**
Profit for the year	-	-	-	-	4,010.95		-	-	**4,010.95**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(35.74)	-	**(35.74)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	11.66	-	-	**11.66**
Equity Dividend (Refer Note 5)	-	-	-	-	(524.20)	-	-	-	**(524.20)**
Transfer to Special Reserve (Refer Note 2)	-	-	805.00	-	(805.00)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(5.72)	**(5.72)**
Balance as at March 31, 2021	**7,991.57**	**1,438.60**	**2,873.70**	**-**	**9,121.50**	**(5.88)**	**(166.36)**	**(5.72)**	**21,247.41**

1. The General Reserve can be distributed / utilised by the Company in accordance with the Companies Act, 2013. During the year ended March 31, 2021 the Company has transferred ₹ Nil/- (As at March 31, 2020 ₹ 500.00 Millions and as at March 31, 2019 ₹ 938.60 Millions) from Debenture Redemption Reserve to General Reserve on account of redemption of debenture offered through public issue.

2. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

3. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
4. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

5. During the year ended March 31, 2021, the Board of Directors of the Company has declared and paid interim dividend of ₹ 25/- (for the year ended March 31, 2020 ₹ 15/- and for the year ended March 31, 2019 ₹ 2/-) per equity share.

6. Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company being a Housing Finance Company has created Debenture Redemption Reserve of a value equivalent to 25% of the debentures outstanding, which were offered through public issue. Accordingly, the Company during the year ended March 31, 2020 ₹ 83.25 Millions and for the year ended March 31, 2019 ₹ 221.55 Millions has been transferred to Debenture Redemption Reserve Account.

7. The amount received in excess of face value of the equity shares is recognised in Securities Premium. During the year ended March 31, 2019 the Company had issued Equity shares at a premium of ₹ 990/- per share on rights issue basis. Total additions to Securities Premium is after netting of share issue expenses of ₹ 1.00 Millions.

See accompanying notes forming part of the financial statements
As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

Place: Mumbai
Date: November 29, 2021

For Suresh Surana and Associates LLP
Chartered Accountants

Ramesh Gupta
Partner

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director
(DIN: 07406284)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
REFORMATTED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021, MARCH 31, 2020 and MARCH 31, 2019

(₹ in Millions)

Particulars	Note No.	FY 2020-21	FY 2019-20	FY 2018-19
Cash Flows from Operating Activities				
Profit before tax		**5,099.84**	**3,289.36**	**4,493.91**
Adjustments for:				
Depreciation, amortization and impairment		81.43	88.92	22.78
Impairment on financial instruments - loans		2,214.18	471.78	15.54
Interest expense		10,532.73	10,866.45	11,022.55
Interest on Loans		(17,783.79)	(16,370.31)	(16,284.91)
Net gain on derecognition of financial instruments		(866.01)	(176.89)	(280.71)
Net (gain)/loss on fair value changes		(183.56)	(172.40)	(227.39)
Exchange fluctuation on Borrowings		-	-	(2.99)
Loss on Sale of assets [net]		14.29	0.56	0.87
Interest paid		(11,067.45)	(10,131.61)	(10,730.69)
(Gain)/Loss on termination		(6.20)	(0.33)	-
(Gain)/Loss on Modification		73.27	-	-
Interest received on loans		17,954.16	16,107.84	15,904.90
(Gain)/ Loss on buy back of Debt Securities		(1.45)	(29.42)	13.87
Operating Profit before Working Capital changes		**6,061.44**	**3,943.95**	**3,947.73**
Changes in Working Capital:				
Adjustments for (increase)/decrease in Other Financial assets		(191.31)	(82.48)	(10.18)
Adjustments for (increase)/decrease in Trade Receivables		(126.60)	109.77	(170.66)
Adjustments for (increase)/decrease in Other Non Financial assets		(1.26)	9.60	(12.76)
Adjustments for (increase)/decrease in Assets held for sale		(139.46)	-	-
Adjustments for (increase)/decrease in Balances with banks - Lien marked		1,058.78	(1,061.34)	12.47
Adjustments for increase/(decrease) in Trade Payables		60.84	(186.70)	88.01
Adjustments for increase/(decrease) in Other financial liabilities		3,271.12	(2,760.65)	(3,425.25)
Adjustments for increase/(decrease) in Other non-financial liabilities		922.86	(287.69)	(74.38)
Adjustments for increase/(decrease) in Provisions		(24.65)	22.19	30.66
Operating Profit after Working Capital changes		**10,891.76**	**(293.35)**	**385.64**
Direct Taxes Paid		**(1,223.05)**	**(997.90)**	**(1,331.43)**
Cash generated from/ (used in) Operations		**9,668.71**	**(1,291.25)**	**(945.79)**
Loans (disbursed) / repaid (net)		(18,645.17)	4,525.54	(8,993.23)
Net cash generated from / (used in) Operating Activities (A)		**(8,976.46)**	**3,234.29**	**(9,939.02)**
Cash flow from Investing Activities				
Purchase of fixed assets		(9.39)	(50.64)	(41.39)
Sale of fixed assets		3.98	18.57	0.02
Fixed deposits placed		(82,622.53)	(2,465.78)	(1,858.26)
Fixed deposits matured		80,681.91	1,942.93	1,253.48
Purchase of investments		(165,446.23)	(808,392.13)	(768,581.00)
Proceeds from sale of investments		164,491.68	808,030.44	768,808.39
Purchase of investment property		-	(111.83)	-
Proceeds from sale of investment property		24.10	-	
Net Cash used in Investing Activities (B)		**(2,876.48)**	**(1,028.45)**	**(418.76)**
Cash flow from Financing Activities				
Proceeds from fresh issue of Equity shares		-	-	1,000.00
Share issue expenses		-	-	(1.00)
Dividend paid (including Dividend Distribution Tax)		(524.20)	(379.17)	(50.56)
Proceeds from Borrowings		32,980.00	27,335.44	40,740.59
Repayment of Borrowings		(23,157.85)	(18,319.21)	(11,684.96)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		14,620.00	36,400.00	144,912.14
Repayment of Debt & Sub-Ordinated Debt Securities		(17,136.06)	(45,993.23)	(159,065.14)
Payment of lease liabilities		(57.35)	(66.41)	-
Net Cash from/(used in) Financing Activities (C)		**6,724.54**	**(1,022.59)**	**15,851.07**
Net increase in cash and cash equivalents (A+B+C)		**(5,128.40)**	**1,183.25**	**5,493.28**
Cash and cash equivalents as at the beginning of the year		9,251.67	8,068.42	2,575.14
Cash and cash equivalents as at the end of the year		**4,123.27**	**9,251.67**	**8,068.42**
See accompanying notes forming part of the reformatted financial statements	**1-47**			

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

For Suresh Surana and Associates LLP
Chartered Accountants

Ramesh Gupta
Partner

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: November 29, 2021

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited) ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a wholly owned subsidiary of IIFL Finance Limited (formerly known as IIFL Holdings Limited) (w.e.f. March 30, 2020). IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF REFORMATTED FINANCIAL STATEMENTS

2.1 Basis of Preparation

The Reformatted Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019 and the Reformatted Statement of Profit and Loss (including Other Comprehensive Income) and the Reformatted Statement of Cash flows and the Reformatted Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 (together referred as 'Reformatted Financial Statements") have been compiled by the Management from the Audited Financial Statements of the Company for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 ("Audited Ind AS Financial Statements") adopted by the Board of Directors on April 28, 2021, May 23, 2020 and May 13, 2019 respectively.

These Reformatted Financial Statements will be included in the Tranche II Prospectus proposed to be filed by the Company with the Registrar of Companies, Mumbai, BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges") and to be submitted to the Securities and Exchange Board of India ("SEBI") in connection with the proposed issue of secured, redeemable, non-convertible debentures ("NCDs") in accordance with the requirements of:

a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the "SEBI NCS Regulations") issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"); and

c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "Guidance Note").

The Reformatted financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

The Reformatted Financial Statements for the year ended 31 March 2020 and 31 March 2019 have been prepared and presented by the Company in a manner consistent with the presentation / disclosure adopted for the Audited Ind AS Financial Statements for financial year ended 31 March 2021. Accordingly, amounts in the Reformatted Financial Statements of 31 March 2020 and 31 March 2019 have been regrouped/reclassified wherever necessary, to conform to the classification adopted for the Audited Ind AS Financial Statements for financial year ended 31 March 2021.

The Reformatted Financial Statements have not considered changes in accounting policies (if any) and have not been restated retrospectively.

These Reformatted Financial Statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value. The Reformatted Financial Statements are presented in Indian Rupees and all values are rounded to millions except when otherwise stated.

2.2 Statement of compliance

The Reformatted Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

2.3 Presentation of Reformatted Financial Statements

The Statement of Asset and Liabilities, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Statement of Assets and Liabilities and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements

along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

The Reformatted Financial Statements are presented in Indian Rupees (INR) and all values are rounded to millions except when otherwise stated.

2.4 Basis of measurements

The Reformatted Financial Statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

2.5 Use of estimates and judgments

The preparation of the Reformatted Financial Statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Reformatted Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the

management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Reformatted Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Reformatted Financial Statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to

average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the company at each reporting date and changes, if any are given effect to.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in Reformatted Financial Statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees

charged for servicing a loan. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

Other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment ("PPE")

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost of acquisition (net of tax), if any, less accumulated depreciation and cumulative impairment losses (if any). Cost includes freight, duties, taxes and expenses incidental to acquisition and installation.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value as per Previous GAAP on the transition date of April 1, 2017.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured

reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

Depreciation is charged using the straight-line method, based on the useful life of fixed assets as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Company
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives

for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

Depreciation and amortisation on impaired asset is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

The Company repossess properties or other assets to settle outstanding recoverable and the surplus (if any) post auction is refunded to the obligors. These assets physically acquired by the company under SARFASI Act, 2002 and sale is highly probable has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(h) Employee benefits

i. Defined contribution plans

The Company's contribution towards Provident Fund, Family Pension Fund and ESIC are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Statement of Profit and loss.

ii. Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plan above.

(i) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically

reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's Reformatted Financial Statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. Purchase and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated

to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL. The Company may make an irrevocable election to present certain equity investments measured

at fair value through other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Reclassifications

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does

not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").

Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the company measures the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(l) Derivative financial instrument

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(o) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

(p) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(q) Foreign currencies

In preparing the Reformatted Financial Statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision.

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Reformatted Financial Statements. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(t) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

(v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(w) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors.

(x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

First time adoption of Ind AS

The Company has prepared opening Balance Sheet as per Ind AS as of April 01, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

(i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment as deemed cost of such assets at the transition date.

(ii) The Company has applied the derecognition requirements of financial assets and financial liabilities retrospectively.

(iii) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

(iv) The estimates as at April 01, 2017 and as at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

(v) Reconciliation of total comprehensive income for the year ended March 31, 2018 is summarised as follows:

(₹ in Millions)

Particulars	Notes	FY 2017-18
Profit After Tax as reported under Previous GAAP		**1,974.09**
Provision for expected credit loss	3	35.67
Effective Interest Rate for financial assets recognised at amortised cost	1	(83.41)
Effective Interest Rate for financial liabilities recognised at amortised cost	2	(1.46)
Net Gain on derecognition of loans sold under assignment transaction	4	392.57
Actuarial gain/(loss) on employee defined benefit plan recognised in 'Other comprehensive income' as per Ind AS 19	6	6.29
ESOP Compensation Cost	9	(12.84)
Reversal of Deferred tax liability on Special Reserve	10	127.11
Deferred tax impact on above adjustments	8	(122.39)
Profit After Tax as reported under Ind AS		2,315.63
Other Comprehensive Income (Net of tax)	6	(4.09)
Total Comprehensive Income as reported under Ind AS		**2,311.54**

(vi) Reconciliation of equity as reported under previous GAAP is summarised as follows:

(₹ in Millions)

Particulars	Notes	As at April 01, 2017 (Date of Transition)	As at March 31, 2018 (end of last period presented under previous GAAP)
Equity as reported under previous GAAP		**9,535.00**	**11,509.09**
Provision for expected credit loss	3	(7.85)	27.81
Effective Interest Rate for financial assets recognised at amortised cost	1	(311.90)	(395.31)
Effective Interest Rate for financial liabilities recognised at amortised cost	2	(6.00)	(7.46)
Net Gain on derecognition of loans sold under assignment transaction	4	386.79	779.35
ESOP Compensation Cost	9	(10.61)	(23.45)
Reversal of Deferred tax liability on Special Reserve	10	185.94	313.07
Deferred tax impact on above adjustments	8	(21.12)	(141.31)
Equity as reported under Ind AS		**9,750.25**	**12,061.79**

(vii) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018:

(₹ in Millions)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash used in Operating Activities (A)	5	(32,637.58)	(943.33)	(31,694.25)
Net Cash used in Investing Activities (B)		(355.32)	-	(355.32)
Cash generated from Financing Activities (C)	5	34,663.77	943.33	33,720.44
Net increase in cash and cash equivalents (A+B+C)		**1,670.87**	**-**	**1,670.87**
Cash and cash equivalents as at the beginning of the year		904.27	-	904.27
Cash and cash equivalents as at the end of the year		**2,575.14**	**-**	**2,575.14**

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Equity Reconciliation as at March 31, 2018

(₹ in Millions)

Sr. no.	Assets	Note no.	Previous GAAP	Adjustments	Ind AS
(1)	**Financial Assets**				
(a)	Cash and cash equivalents		3,919.10	-	3,919.10
(b)	Bank balance other than (a) above		24.49	-	24.49
(c)	Receivables				
	(I) Trade receivables		96.07	-	96.07
(d)	Loans	1 & 5	119,813.57	4,147.75	123,961.32
(e)	Investments		-	-	-
(f)	Other financial assets	4	70.83	779.35	850.18
(2)	**Non-financial Assets**				
(a)	Current tax assets (net)		155.05	-	155.05
(b)	Deferred tax assets (net)	8	0.46	171.76	172.22
(c)	Property, plant and equipment		26.46	-	26.46
(d)	Other intangible assets		2.67	-	2.67
(e)	Other non-financial assets		19.46	-	19.46
	Total Assets		**124,128.16**	**5,098.86**	**129,227.02**
	LIABILITIES AND EQUITY				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments		3.00	-	3.00
(b)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		365.99	-	365.99
(c)	Debt securities	2	26,343.95	0.63	26,344.58
(d)	Borrowings (other than debt securities)	2 & 5	68,384.77	5,847.11	74,231.88
(e)	Subordinated liabilities	2	4,446.12	(0.17)	4,445.95
(f)	Other financial liabilities	5 & 9	11,746.35	(795.32)	10,951.03
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)		162.57	-	162.57
(b)	Provisions	3	593.50	(506.10)	87.40
(c)	Other non-financial liabilities		572.82	-	572.82
(3)	**Equity**				
(a)	Equity share capital		199.68	-	199.68
(b)	Other equity		11,309.41	552.71	11,862.12
	Total Liabilities and Equity		**124,128.16**	**5,098.86**	**129,227.02**

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Equity Reconciliation as at April 01, 2017

(₹ in Millions)

Sr. no.	ASSETS	Note no.	Previous GAAP	Adjustments	Ind AS
(1)	**Financial Assets**				
(a)	Cash and cash equivalents		904.27	-	904.27
(b)	Bank balance other than (a) above		958.43	-	958.43
(c)	Receivables				
	(I) Trade receivables		25.16	-	25.16
(d)	Loans	1 & 5	82,074.79	6,274.03	88,348.82
(e)	Investments		0.19	-	0.19
(f)	Other financial assets	4	25.97	386.78	412.75
(2)	**Non-financial Assets**				
(a)	Current tax assets (net)		79.00	-	79.00
(b)	Deferred tax assets (net)	8	38.20	164.83	203.03
(c)	Property, plant and equipment		14.16	-	14.16
(d)	Other intangible assets		3.15	-	3.15
(e)	Other non-financial assets		15.60	-	15.60
	Total Assets		**84,138.92**	**6,825.64**	**90,964.56**
	LIABILITIES AND EQUITY				
(1)	**Financial Liabilities**				
(a)	Derivative financial instruments		-	-	-
(b)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		237.01	-	237.01
(c)	Debt securities	2	26,901.67	1.61	26,903.28
(d)	Borrowings (other than debt securities)	2 & 5	35,112.85	6,788.00	41,900.85
(e)	Subordinated liabilities	2	2,601.05	(0.17)	2,600.88
(f)	Other financial liabilities	5 & 9	8,926.48	(179.05)	8,747.43
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)		69.09	-	69.09
(b)	Provisions		61.95	-	61.95
(c)	Other non-financial liabilities		693.82	-	693.82
(3)	**Equity**			-	
(a)	Equity share capital		199.68	-	199.68
(b)	Other equity		9,335.32	215.25	9,550.57
	Total Liabilities and Equity		**84,138.92**	**6,825.64**	**90,964.56**

The Previous GAAP figures have been reclassified/regrouped/re-arranged to conform to Ind AS presentation requirements for the purpose of this note.

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Millions)

Sr. No.	Particulars	Note no.	Previous GAAP	Adjustments	Ind AS
	Revenue from Operations				
(i)	Interest income	1	11,611.51	533.25	12,144.76
(ii)	Fees and commission income	1	655.25	(103.73)	551.52
(iii)	Net gain on fair value changes		68.36	-	68.36
(iv)	Net gain on derecognition of financial instruments under amortised cost category	4	(0.00)	392.56	392.56
(I)	**Total Revenue from Operations**		**12,335.12**	**822.08**	**13,157.20**
(II)	**Other Income**		352.88	-	352.88
(III)	**Total Income (I+II)**		**12,688.00**	**822.08**	**13,510.08**
	Expenses				
(i)	Finance cost	2	7,252.62	514.39	7,767.01
(ii)	Impairment on financial instruments	3	379.88	(35.67)	344.21
(iii)	Employee benefits expenses	6 & 9	1,450.11	6.55	1,456.66
(iv)	Depreciation, amortization and impairment		11.51	-	11.51
(v)	Other expenses		567.29	-	567.29
(IV)	**Total Expenses (IV)**		**9,661.41**	**485.27**	**10,146.68**
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		**3,026.59**	**336.81**	**3,363.40**
(VI)	**Exceptional Items**		-	-	-
(VII)	**Profit Before Tax (V -VI)**		**3,026.59**	**336.81**	**3,363.40**
(VIII)	**Tax Expenses:**				
	(i) Current tax		1,007.47	-	1,007.47
	(ii) Deferred tax	8	37.74	(4.73)	33.01
	(iii) Current tax expenses relating to prior years		7.29	-	7.29
	Total Tax Expenses		**1,052.50**	**(4.73)**	**1,047.77**
(IX)	**Profit for the year (VII-VIII)**		**1,974.09**	**341.54**	**2,315.63**
(X)	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit (liabilities)/assets	6	-	(6.29)	(6.29)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	8	-	2.20	2.20
	Subtotal (A)		**-**	**(4.09)**	**(4.09)**
	Other Comprehensive Income (A)		**-**	**(4.09)**	**(4.09)**
(XI)	**Total Comprehensive Income for the period (IX+X)**		**1,974.09**	**337.45**	**2,311.54**

1. EIR on loans

Under Previous GAAP, loan processing fees (net of direct sourcing cost) received in connection with loans portfolios was recognised upfront and credited to Statement of Profit and loss for the year. Under Ind AS, loan processing fee is credited to the Statement of Profit and Loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan

2. EIR on borrowings
Under Previous GAAP, transaction costs incurred in connection with borrowings were amortised over the period and charged to the Statement Profit and Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to the Statement Profit and Loss using the effective interest method. The unamortised portion of transaction costs is adjusted from respective Borrowings.

3. Expected Credit Loss on loans & advances
Under Previous GAAP, Non performing Assets ("NPA") provisioning was computed based on the prudential norms issued by National Housing Bank. Under Ind AS, the impairment is computed based on ECL model. The differential impact upon adoption of ECL model has been adjusted in Retained Earnings.

Under Previous GAAP Loans and Advances were presented net of provision for NPA and provision against Standard Assets were presented under provisions. However, under Ind AS, Loans and Advances measured at amortised cost and FVTOCI are presented net of provisions for expected credit losses.

4. Net Gain on derecognition of loans sold under assignment transaction
In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

5. Derecognition of financial assets
Under Previous GAAP, assets were de-recognised, if and only if, the Company had lost the control of the Contractual rights that comprised of the corresponding pools transferred. Future interest spread receivable in case of par structure deals were recognised over the tenure of the agreements as per applicable guidelines / directions. Under Ind AS, the Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. Under Ind AS, since the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

6. Defined benefit obligations
Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to the Statement of Profit and Loss.

7. Derivatives
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

8. Deferred tax
Deferred tax is the tax impact of all adjustments between Previous GAAP and Ind AS.

9. ESOP Compensation Cost
ESOP charge is accounted using fair value method. The portion of ESOP charge payable to Holding Company and Ultimate Holding Company is accordingly measured and recognised at fair value. Under Previous GAAP ESOP charge was calculated based on intrinsic value method.

10. Reversal of Deferred tax liability on Special Reserve
As required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve created under section 36(1)(viii) of the Income-tax Act, 1961. The Company believes that the Special Reserve will not be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with Ind AS 12 on Income Taxes.

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 4A. Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents			
Cash on hand	5.54	0.65	10.12
Cheques in hand	-	-	38.41
Balance with banks			
-In current accounts	3,117.66	8,870.80	4,018.52
Fixed deposits (original maturity less than or equal to three months)	1,000.07	380.22	4,001.37
Cash and cash equivalents	**4,123.27**	**9,251.67**	**8,068.42**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Other bank balances			
In earmarked accounts			
- Unclaimed interest and redemption proceeds of NCDs	14.58	1,073.35	12.02
Fixed deposits (original maturity less than or equal to three months) - lien marked	2,276.88	-	
Fixed deposits (original maturity more than three months)	2,145.94	2,483.28	1,956.92
Total	**4,437.40**	**3,556.63**	**1,968.94**

Out of the fixed deposits shown above:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Lien marked	2,476.34	190.89	628.18
Margin for credit enhancement	1,909.03	1,884.67	1,328.74
Total	**4,385.37**	**2,075.56**	**1,956.92**

Note 5. Derivatives financial instruments

(₹ in Millions)

Part I	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:									
-Cross currency interest rate swaps	3,630.75	-	292.08	3,630.75	-	150.27	3,630.75		413.13
Subtotal (i)	**3,630.75**	**-**	**292.08**	**3,630.75**	**-**	**150.27**	**3,630.75**	**-**	**413.13**
(ii) Other derivatives									
-Forward exchange contract	-	-	-	-	-	-	350.00	-	8.19
Subtotal (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**350.00**	**-**	**8.19**
Total derivative (i+ii)	**3,630.75**	**-**	**292.08**	**3,630.75**	**-**	**150.27**	**3,980.75**	**-**	**421.32**

(₹ in Millions)

Part II	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Cash flow hedging:									
- Currency derivatives	3,630.75	-	292.08	3,630.75	-	150.27	3,980.75	-	421.32
(ii) Undesignated derivatives	-	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii)	**3,630.75**	**-**	**292.08**	**3,630.75**	**-**	**150.27**	**3,980.75**	**-**	**421.32**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1.

(₹ in Millions)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2021						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,630.75**	**292.08**	-	-	3,630.75	292.08
As at March 31, 2020						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,630.75**	**150.27**	-	-	3,630.75	150.27
As at March 31, 2019						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,980.75**	**421.32**	-	-	3,980.75	421.32

5.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 50 Millions (March 31, 2020 USD 50 Millions and March 31, 2019 USD 55 Million) Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Company uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Notional amount	3,630.75	3,630.75	3,980.75
Carrying amount	292.08	150.27	421.32
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	(35.73)	(32.61)	(98.01)

(₹ in Millions)

Impact of hedging item	FY 2020-21	FY 2019-20	FY 2018-19
Change in fair value	(35.73)	(32.61)	(98.01)
Cash flow hedge reserve	(35.73)	(32.61)	(98.01)
Cost of hedging	-	-	-

(₹ in Millions)

Effect of Cash flow hedge	FY 2020-21	FY 2019-20	FY 2018-19
Total hedging gain / (loss) recognised in OCI	(35.73)	(32.61)	(98.01)
Line item in the statement of profit or loss	-	-	-

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Gain/(Loss) On Swap Transaction	(141.81)	271.05	(421.32)
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	94.06	(314.63)	176.08
Tax implication on above	12.02	10.97	147.23
Total	**(35.73)**	**(32.61)**	**(98.01)**

Note 6. Receivables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Trade receivables			
Receivables considered good - unsecured	308.23	181.63	291.39
Total - gross	**308.23**	**181.63**	**291.39**
Less: Impairment loss allowance	-	-	
Total	**308.23**	**181.63**	**291.39**

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.
Trade Receivables are not interest bearing.

Note 7. Loans

(₹ in Millions)

Particulars	As at March 31, 2021		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	126,720.45	23,523.44	150,243.89
Total (A) - Gross	**126,720.45**	**23,523.44**	**150,243.89**
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (A) - Net	**122,382.31**	**23,266.92**	**145,649.23**
(B)			
(i) Secured by tangible assets	124,813.75	23,488.53	148,302.28
(ii) Secured by Government Guarantee	1,881.62	34.91	1,916.53
(iii) Unsecured	25.08	-	25.08
Total (B) - Gross	**126,720.45**	**23,523.44**	**150,243.89**
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (B) - Net	**122,382.31**	**23,266.92**	**145,649.23**
(C)			
Loans in India	**126,720.45**	**23,523.44**	**150,243.89**
(i) Public sector	-	-	-
(ii) Others	126,720.45	23,523.44	150,243.89
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (C) - Net	**122,382.31**	**23,266.92**	**145,649.23**

(₹ in Millions)

Particulars	As at March 31, 2020		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	99,901.19	30,000.00	129,901.19
(ii) Inter-corporate deposits	1,535.10	-	1,535.10
Total (A) - Gross	**101,436.29**	**30,000.00**	**131,436.29**
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (A) - Net	**99,510.65**	**29,862.56**	**129,373.21**
(B)			
(i) Secured by tangible assets	99,901.19	30,000.00	129,901.19
(ii) Secured by Government Guarantee	-	-	-
(iii) Unsecured	1,535.10	-	1,535.10
Total (B) - Gross	**101,436.29**	**30,000.00**	**131,436.29**
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (B) - Net	**99,510.65**	**29,862.56**	**129,373.21**
(C)			
(I) Loans in India	**101,436.29**	**30,000.00**	**131,436.29**
(i) Public sector	-	-	-
(ii) Others	101,436.29	30,000.00	131,436.29
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (C) - Net	**99,510.65**	**29,862.56**	**129,373.21**

(₹ in Millions)

Particulars	As at March 31, 2019		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	100,362.27	35,000.00	135,362.27
(ii) Inter-corporate deposits	-	-	-
Total (A) - Gross	**100,362.27**	**35,000.00**	**135,362.27**
Less: Impairment loss allowance	(1,129.80)	(120.91)	(1,250.71)
Total (A) - Net	**99,232.47**	**34,879.09**	**134,111.56**
(B)			
(i) Secured by tangible assets	100,312.27	35,000.00	135,312.27
(ii) Secured by Government Guarantee	-	-	-
(iii) Unsecured	50.00	-	50.00
Total (B) - Gross	**100,362.27**	**35,000.00**	**135,362.27**
Less: Impairment loss allowance	(1,129.80)	(120.91)	(1,250.71)
Total (B) - Net	**99,232.47**	**34,879.09**	**134,111.56**
(C)			
(I) Loans in India	**100,362.27**	**35,000.00**	**135,362.27**
(i) Public sector	-	-	-
(ii) Others	100,362.27	35,000.00	135,362.27
Less: Impairment loss allowance	(1,129.80)	(120.91)	(1,250.71)
Total (C) - Net	**99,232.47**	**34,879.09**	**134,111.56**

The above Term Loans includes ₹ 1,924.04 Millions (as at March 31, 2020, ₹ 1,761.62 Millions and as at March 31,2019, ₹ 1,359.68 Millions) towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets, gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.
b. Secured loans include loans aggregating in ₹ 13.22 Millions (as at March 31, 2020, ₹ 32.73 Millions and as at March 31, 2019, ₹19.43 Millions) in respect of which the creation of security is under process.

Note 7.1:

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. These developments resulted in regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrower etc. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill . The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lockdown measures in various parts of the country. The impact of the second wave on the Company's results remains uncertain and dependent on future developments, which are often outside of the Company's control and accordingly, actuals may differ from the estimates used in the preparation of the financial statements on the reporting date.

The impact, including credit quality and provision, of the Covid-19 pandemic, on company, is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the company and the time it takes for economic activities to return to pre-pandemic levels. The Companies capital and liquidity position is strong.

The Supreme Court, in a writ petition, through its interim order dated September 3, 2020 had directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Pursuant to the Supreme Court's final order in Q4-2021 and the related RBI notification issued on April 7, 2021, the Company has classified these borrower accounts as per the extant IRAC Norms and the resultant provision have been suitably alligned.

Note 8. Investments

(₹ in Millions)

Particulars	As at March 31, 2021			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
Debt securities	-	125.97	-	125.97
Equity instruments	-	-	1,546.23	1,546.23
Total – Gross (A)	**-**	**125.97**	**1,546.23**	**1,672.20**
(B)				
(i) Investments in India	-	125.97	1,546.23	1,672.20
Total (B)	**-**	**125.97**	**1,546.23**	**1,672.20**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**-**	**125.97**	**1,546.23**	**1,672.20**

(₹ in Millions)

Particulars	As at March 31, 2020		
	FVTPL	At Amortised Cost	Total
(A)			
Debt securities	-	155.57	155.57
Equity instruments	378.52	-	378.52
Total – Gross (A)	**378.52**	**155.57**	**534.09**
(B)			
(i) Investments in India	378.52	155.57	534.09
Total (B)	**378.52**	**155.57**	**534.09**
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	**378.52**	**155.57**	**534.09**

(₹ in Millions)

Particulars	As at March 31, 2019		
	FVTPL	At Amortised Cost	Total
(A)			
Debt securities	-	-	-
Equity instruments	-	-	-
Total – Gross (A)	**-**	**-**	**-**
(B)			
(i) Investments in India	-	-	-
Total (B)	**-**	**-**	**-**
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	**-**	**-**	-

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2021	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	125.97
Equity instruments in Assosciate		
Samasta Microfinance Limited	80,203,334	1,546.23

Particulars	As at March 31, 2020	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	155.57
Equity instruments		
SBI Cards and Payment Services Limited	611,849	378.52

Note 9. Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Security deposit			
- Unsecured, considered good	15.46	20.58	20.12
- Unsecured, considered doubtful	8.46	8.09	8.29
Less: Provisions (Refer Note 9.1 below)	(8.46)	(8.09)	(8.29)
Interest strip asset on assignment	1,984.91	1,214.15	1,060.07
Other receivables	337.48	141.05	36.21
Total	**2,337.85**	**1,375.78**	**1,116.40**

Note 9.1. Provision on Security Deposits **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening provision	8.09	8.29	6.38
Additions	0.37	0.63	1.91
Reductions	-	(0.83)	-
Closing provision	**8.46**	**8.09**	**8.29**

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2021 are as follows:

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	3.85	2.99	-	6.84
Provisions for expected credit losses	436.66	579.98	-	1,016.64
Provision for employee benefits	23.43	(6.95)	(3.92)	12.56
Fair value of derivative financial instruments	37.81	-	35.69	73.50
Ind AS 116	3.81	0.68	-	4.49
Fair value of financial instruments	21.00	(21.00)	1.92	1.92
Adjustment pertaining to income and expenses recognition based on effective interest rate	115.62	46.31	-	161.93
Total deferred tax assets (A)	**642.18**	**602.01**	**33.69**	**1,277.88**
Deferred tax liabilities:				
Provision for 36(1)(viia)	-	(76.60)	-	(76.60)
Interest spread on assigned loans	(305.58)	(193.99)	-	(499.57)
Total deferred tax liabilities (B)	**(305.58)**	**(270.59)**	**-**	**(576.17)**
Deferred tax assets (A+B)	**336.60**	**331.42**	**33.69**	**701.71**

Significant components of deferred tax assets and liabilities as at March 31, 2020 are as follows:

(₹ in Millions)

Particulars	Opening balance	Transfer In *{Refer note (a) below}*	Effect of Rate Change *{Refer note (b) below}*	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:						
Property, plant and equipment	2.55	-	(0.71)	2.01	-	3.85
Provisions for expected credit losses	372.36	69.06	(123.50)	118.74	-	436.66
Provision for employee benefits	16.91	-	(4.73)	9.86	1.39	23.43
Fair value of derivative financial instruments	147.23	-	(41.19)	-	(68.23)	37.81
Ind AS 116	-	-	-	3.81	-	3.81
Fair value of financial instruments	-	-	-	21.00	-	21.00
Adjustment pertaining to income and expenses recognition based on effective interest rate	167.57	-	(39.77)	(12.18)	-	115.62
Total deferred tax assets (A)	**706.62**	**69.06**	**(209.90)**	**143.23**	**(66.84)**	**642.18**
Deferred tax liabilities:						
Provision for 36(1)(viia)	(16.11)	-	4.51	11.60	-	-
Interest spread on assigned loans	(370.43)	7.97	94.29	(37.41)	-	(305.58)
Total deferred tax liabilities (B)	**(386.54)**	**7.97**	**98.80**	**(25.81)**	**-**	**(305.58)**
Deferred tax assets (A+B)	**320.08**	**77.03**	**(111.10)**	**117.43**	**(66.84)**	**336.60**

Significant components of deferred tax assets and liabilities as at March 31, 2019 are as follows:

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	1.22	1.33	-	2.55
Provisions for expected credit losses	366.93	5.43	-	372.36
Provision for employee benefits	9.22	2.68	5.01	16.91
Fair value of derivative financial instruments	-	-	147.23	147.23
Ind AS 116	-			-
Fair value of financial instruments				-
Adjustment pertaining to income and expenses recognition based on effective interest rate	140.75	26.82	-	167.57
Total deferred tax assets (A)	**518.12**	**36.26**	**152.24**	**706.62**
Deferred tax liabilities:				
Provision for 36(1)(viia)	(73.56)	57.45	-	(16.11)
Interest spread on assigned loans	(272.34)	(98.09)	-	(370.43)
Total deferred tax liabilities (B)	**(345.90)**	**(40.64)**	**-**	**(386.54)**
Deferred tax assets (A+B)	**172.22**	**(4.38)**	**152.24**	**320.08**

a. Transfer in during financial year 2019-2020 refers to the impact of deferred taxes on the purchase of mortgage loan portfolio from India Infoline Finance Limited (then holding Company of the Company) w. e. f. June 30, 2019. India Infoline Finance Limited merged into the ultimate holding Company IIFL Finance Limited (Formerly known as IIFL Holdings Limited) w.e.f. March 30, 2020.

b. The recently promulgated Taxation Laws (Amendment) Ordinance 2009 has inserted section 115BAA in the income Tax Act 1961 providing existing domestic companies with an option to pay tax at concessional rate of 22% plus applicable surcharge & cess. The reduced tax rates come with the consequential surrender of specified deductions & incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income tax Act 1961 for assessment year (AY) 20-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

These financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax assets (net) has been measured at the lower rate, with a one-time corresponding charges of ₹ 111.10 Millions to the Statement of Profit & Loss.

Note 11A. Investment Property

(₹ in Millions)

Particulars	Buildings
As at March 31, 2018	**-**
Additions	
Deductions/Adjustments	-
As at March 31, 2019	**-**
Additions	111.83
Deductions/Adjustments	-
As at March 31, 2020	**111.83**
Additions	-
Deductions/Adjustments	36.99
As at March 31, 2021	**74.84**

Accumulated Depreciation	
As at March 31, 2018	**-**
Depreciation for the year	**-**
Deductions/Adjustments	**-**
As at March 31, 2019	**-**
Depreciation for the year	**-**
Deductions/Adjustments	**-**
As at March 31, 2020	**-**
Depreciation for the year	4.79
Deductions/Adjustments	**-**
As at March 31, 2021	**4.79**

Net Block as at March 31, 2019	**-**
Net Block as at March 31, 2020	**111.83**
Net Block as at March 31, 2021	**70.05**

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 11B. Property, Plant and Equipment

(₹ in Millions)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Total
As at March 31, 2018	**0.86**	**9.81**	**4.26**	**4.35**	**16.41**	**35.69**
Additions	-	5.07	2.77	3.10	31.35	**42.29**
Deductions/Adjustments	-	1.22	0.32	0.37	1.55	**3.46**
As at March 31, 2019	**0.86**	**13.66**	**6.71**	**7.08**	**46.21**	**74.52**
Additions	-	5.96	2.56	2.23	38.36	**49.11**
Deductions/Adjustments	-	2.62	1.17	0.83	29.85	**34.47**
As at March 31, 2020	**0.86**	**17.00**	**8.10**	**8.48**	**54.72**	**89.16**
Additions	-	2.39	0.51	0.53	10.68	**14.11**
Deductions/Adjustments	-	7.08	0.56	2.62	13.21	**23.47**
As at March 31, 2021	**0.86**	**12.31**	**8.05**	**6.39**	**52.19**	**79.80**
Accumulated Depreciation						
As at March 31, 2018	**-**	**2.90**	**1.18**	**1.48**	**3.68**	**9.24**
Depreciation for the year	**-**	3.46	1.69	2.02	12.63	**19.80**
Deductions/Adjustments	**-**	0.43	0.00	0.16	0.29	**0.88**
As at March 31, 2019	**-**	**5.93**	**2.87**	**3.34**	**16.02**	**28.15**
Depreciation for the year	**-**	3.31	1.67	1.60	21.05	**27.63**
Deductions/Adjustments	**-**	1.51	0.68	0.55	12.60	**15.34**
As at March 31, 2020	**-**	**7.72**	**3.86**	**4.39**	**24.47**	**40.44**
Depreciation for the year	**-**	2.50	1.44	1.40	21.10	**26.44**
Deductions/Adjustments	**-**	2.68	0.30	1.82	7.12	**11.92**
As at March 31, 2021	**-**	**7.55**	**5.00**	**3.97**	**38.45**	**54.96**
Net Block as at March 31, 2019	**0.86**	**7.73**	**3.84**	**3.74**	**30.19**	**46.37**
Net Block as at March 31, 2020	**0.86**	**9.28**	**4.24**	**4.09**	**30.25**	**48.72**
Net Block as at March 31, 2021	**0.86**	**4.76**	**3.05**	**2.42**	**13.74**	**24.84**

*During the financial year 2019-20, freehold Land was hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

During the year ended March 31, 2020 the Company has adopted Ind AS 116 – "Leases" with effect from April 01, 2019 and applied the standard to its leases retrospectively. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 has been recognised and "Right of use assets" has been recognised at an amount equal to the "Lease liability" as at that date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right of use lease assets" and interest accrued on "Lease liability". The Company has not restated the comparative information in this respect.

Statement showing movement in lease liabilities

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2019	**237.50**	**21.41**	**258.91**
Additions	46.09	2.20	**48.29**
Deductions/Adjustments	8.28	1.47	**9.75**
Finance cost accrued during the period	20.86	1.59	**22.45**
Payment of lease liabilities	56.78	9.63	**66.41**
Translation Difference	-	-	**-**
As at March 31, 2020	**239.39**	**14.10**	**253.49**
Additions	4.81	0.99	**5.80**
Deductions/Adjustments	67.62	2.70	**70.32**
Finance cost accrued during the period	16.60	0.81	**17.41**
Payment of lease liabilities	48.64	8.71	**57.35**
Translation Difference	-	-	-
As at March 31, 2021	**144.54**	**4.49**	**149.03**

Statement showing carrying value of right of use assets

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2019	**237.50**	**21.41**	**258.91**
Additions	46.09	2.20	**48.29**
Deductions/Adjustments	7.94	1.48	**9.42**
Depreciation	50.54	8.89	**59.43**
As at March 31, 2020	**225.11**	**13.24**	**238.35**
Additions	4.81	0.98	**5.79**
Deductions/Adjustments	61.61	2.51	**64.12**
Depreciation	40.60	7.74	**48.34**
As at March 31, 2021	**127.70**	**3.97**	**131.68**

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current lease liabilities	25.40	49.69	-
Non- Current lease liabilities	123.63	203.80	-

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Up to One year	36.76	69.10	-
One year to Two years	33.01	61.44	-
Two to Five years	76.86	125.37	-
More than Five years	44.94	64.55	-
Total	**191.57**	**320.46**	**-**

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Interest on lease liabilities	17.42	22.45	-
Variable lease payments not included in the measurement of lease liabilities	-	-	-
Income from sub-leasing right-of-use assets	-	-	-
Expenses relating to short-term leases	-	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.82	2.37	-
Total	**19.24**	**24.82**	**-**

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total cash outflow for leases	57.35	66.41	-

Note 12B. Other Intangible Assets (Other than internally generated)

(₹ in Millions)

Particulars	Computer Software
As at March 31, 2018	**4.72**
Additions	3.60
Deductions/Adjustments	-
As at March 31, 2019	**8.32**
Additions	1.51
Deductions/Adjustments	-
As at March 31, 2020	**9.83**
Additions	0.16
Deductions/Adjustments	-
As at March 31, 2021	**9.99**

Accumulated Depreciation	
As at March 31, 2018	**2.05**
Depreciation For the year	2.98
Deductions/Adjustments	-
As at March 31, 2019	**5.03**
Depreciation For the year	1.86
Deductions/Adjustments	-
As at March 31, 2020	**6.89**
Depreciation For the year	1.84
Deductions/Adjustments	
As at March 31, 2021	**8.73**

Net Block as at March 31, 2019	**3.29**
Net Block as at March 31, 2020	**2.94**
Net Block as at March 31, 2021	**1.26**

Note 13. Other Non Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capital Advance	1.82	0.53	0.52
Prepaid Expenses	27.19	31.13	15.51
Others	2.44	3.78	13.37
Gratuity Advance	5.90	-	-
Total	**37.35**	**35.44**	**29.40**

Note 14. Assets held for Sale

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets held for sale	139.46	-	-

Note 15. Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	351.58	290.74	477.45
Total	**351.58**	**290.74**	**477.45**

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The Company had requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 and is in the continuous process of obtaining such confirmation from its suppliers. The disclosure relating to unpaid amount as at the year-end together with interest paid/payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006.

(₹ in Millions)

Particulars	FY 2020-2021	FY 2019-2020	FY 2018-2019
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Note 16. Debt Securities

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured:			
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	21,027.50	23,667.61	24,127.03
Unsecured:			
Commercial Paper - (Refer Note (c) and 16.1)	-	-	6,100.00
Less: Discount on Commercial Paper (Refer Note (c))			(66.39)
Total (A)	**21,027.50**	**23,667.61**	**30,160.64**
Debt securities in India	21,027.50	23,667.61	30,160.64
Debt securities outside India	-	-	-
Total (A+B)	**21,027.50**	**23,667.61**	**30,160.64**

a. The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 843.75 Millions (May 15, 2021 and every six months thereafter), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024).

c. Unexpired discount on Commercial Paper as at March 31, 2019 is ₹ 59.13 Millions towards discount accrued but not due.

Note 16.1 - Terms of repayment

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Secured NCD (A)						
(a) Fixed:						
More than 5 years	5,985.99	8.69% - 9.18%	3,300.00	9.18% - 10.33%	299.58	10.05% -10.33%
3- 5 Years	300.00	10.03% - 10.33%	-	-	344.89	8.61%
1-3 Years	-	-	550.00	8.90% - 9.38%	2,930.77	8.61% - 9.87%
Less than 1 year	2,067.06	8.00% - 9.38%	1,251.57	8.65% - 9.87%	3,149.14	7.50% -9.50%
Sub-Total (a)	**8,353.05**		**5,101.57**		**6,724.38**	
(b) Floating:						
More than 5 years	-	-	-	-	-	-
3- 5 Years	-	-	-	-	-	-
1-3 Years	281.25	8.56%	2,843.75	8.56% - 9.85%	1,997.72	9.20%
Less than 1 year	2,731.56	8.56% - 9.40%	755.77	8.56%	139.64	9.20%
Sub-Total (b)	**3,012.81**		**3,599.52**		**2,137.36**	
Total Secured NCD (a+b)	**11,365.86**		**8,701.09**		**8,861.74**	
Secured Zero Coupon (B)						
More than 5 years	370.00	8.60% - 8.62%	-	-	687.12	9.12% -10.30%
3- 5 Years	856.60	9.12% - 10.30%	761.38	9.12% - 10.30%	2,071.69	9.35% - 9.55%
1-3 Years	1,367.56	9.35% - 9.55%	7,730.65	8.20% - 10.20%	11,860.93	8.10% - 10.20%
Less than 1 year	7,067.48	8.20% - 10.20%	6,474.49	8.10% - 9.40%	645.55	8.10% - 9.55%
Total Secured Zero Coupon	**9,661.64**		**14,966.52**		**15,265.29**	
Unsecured (C)						
Commercial Paper	-		-			
Less than 1 year					**6,033.61**	8.70%-8.95%
Total (A+B+C)	**21,027.50**		**23,667.61**		**30,160.64**	

Note 16.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A10 Option Ii. Date Of Maturity 15/07/2019	9.50%	-	-	163.00
9.50% Secured Redeemable Non-Convertible Debentures. Series A10 Option I. Date Of Maturity 22/07/2019	9.50%	-	-	1,600.00
8.056% Secured Listed Redeemable Non Convertible Debentures. Series B8 Option A. Date Of Maturity 01/08/2019	8.10%	-	-	250.00
7.50% Secured Listed Redeemable Non Convertible Debentures. Series B6. Date Of Maturity 05/09/2019	7.50%	-	-	300.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B2 Option Ii. Date Of Maturity 08/10/2019	9.15%	-	-	80.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option Iii. Date Of Maturity 12/11/2019	8.85%	-	-	50.00
8.10% Secured Listed Redeemable Non Convertible Debentures. Series B7. Date Of Maturity 21/11/2019	8.10%	-	-	512.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C5. Date Of Maturity 06/04/2020	9.20%	-	350.00	380.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option Ii. Date Of Maturity 07/04/2020	8.85%	-	110.00	110.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A13. Date Of Maturity 20/04/2020	9.40%	-	2,500.00	2,500.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option I. Date Of Maturity 12/05/2020	8.85%	-	640.00	640.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B4. Date Of Maturity 12/05/2020	8.64%	-	180.00	180.00
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B5. Date Of Maturity 17/08/2020	8.10%	-	1,150.00	1,150.00
8.65% Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option A. Date Of Maturity 05/10/2020	8.65%	-	625.00	753.33
9.87% Secured Rated Listed Redeemable Non Convertible Debentures. Series C10. Date Of Maturity 20/11/2020	9.87%	-	500.00	502.45
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date Of Maturity 06/04/2021	8.20%	270.60	270.60	298.96
Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date Of Maturity 30/04/2021	8.70%	532.56	532.56	532.56
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date Of Maturity 19/05/2021	9.25%	500.00	500.00	500.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date Of Maturity 25/05/2021	8.80%	260.00	260.00	260.00
IDFC MCLR Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date Of Maturity 28/06/2021	9.85%	2,000.00	2,000.00	2,000.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date Of Maturity 15/07/2021	9.35%	240.00	240.00	240.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date Of Maturity 26/07/2021	9.35%	2,350.59	2,350.59	2,350.59
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date Of Maturity 05/08/2021	9.25%	250.00	250.00	250.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date Of Maturity 11/08/2021	9.35%	967.80	987.80	987.80
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date Of Maturity 26/10/2021	10.20%	100.00	100.00	100.00
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date Of Maturity 03/11/2021	8.90%	50.00	50.00	50.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date Of Maturity 24/01/2022	9.38%	500.00	500.00	500.00

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
8% Secured Redeemable Non Convertible Debentures. Series series D1. Maturity Date: 18/02/2022	8.00%	1,250.00	-	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	240.00	240.00	240.00
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	334.00	334.00	1,150.00
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	843.75	1,406.25	1,968.75
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	580.00	580.00	580.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	501.89	501.89	501.89
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	200.00	200.00	200.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	150.00	150.00	150.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	150.00	150.00	150.00
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	180.00	-	-
8.62% Secured Redeemable Non Convertible Debentures. Series.Series D4. Maturity Date: 12/03/2028	8.62%	190.00	-	-
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	3,000.00	3,000.00	-
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030.	8.69%	3,000.00	-	-
Total		**18,641.19**	**20,658.69**	**22,181.34**

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured:			
(a) Term loans			
(i) from Banks (Refer Note (a), (b) and 17.1)	61,986.61	68,370.88	64,146.22
(ii) from NHB (Refer Note (a), (b) and 17.2)	27,455.97	19,485.06	15,835.32
(iii) from Financial Institution (Refer Note (b) and 17.3)	8,872.60	-	
(b) Securitisation Liability (Refer Note 17.4)	5,453.04	6,698.24	4,532.91
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	940.00	480.00	1,495.90
Total	**104,708.22**	**95,034.18**	**86,010.35**
Borrowings in India	101,057.33	91,298.92	82,595.50
Borrowings outside India	3,650.89	3,735.26	3,414.85
Total	**104,708.22**	**95,034.18**	**86,010.35**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 1,937.91 Millions (March 31, 2020 ₹ 5,039.31 Millions and March 31, 2019 ₹ 8,592.36 Millions) and Refinance Facility from NHB amounting to ₹ 10,317.52 Millions (March 31, 2020 ₹ 12,485.06 Millions and March 31, 2019 ₹ 15,835.32 Millions) are also guaranteed by Holding Company i.e. IIFL Finance Limited (Formerly known as IIFL Holdings Limited).

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:						
More than 5 years	5,702.69	7.80% - 9.50%	3,593.03	9.10% - 9.50%	-	-
3- 5 Years	7,116.04	7.60% - 10.00%	12,787.11	8.40% - 10.05%	16,807.15	8.45% - 10.00%
1-3 Years	29,645.77	7.50% - 10.00%	31,639.13	8.20% - 10.05%	32,626.97	8.45% - 10.20%
Less than 1 year	19,522.12	7.20% - 10.00%	20,351.61	8.00% - 10.05%	14,712.10	8.45% - 9.95%
Total	**61,986.62**		**68,370.88**		**64,146.22**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:						
More than 5 years	6,550.83	3.00% - 8.95%	6,425.64	4.86% - 8.95%	7,792.08	4.61% - 9.95%
3- 5 Years	6,149.08	3.00% - 8.95%	5,302.38	4.61% - 8.95%	3,078.69	4.61% - 9.95%
1-3 Years	7,366.22	3.00% - 8.95%	5,618.60	4.61% - 8.95%	3,309.70	4.61% - 9.95%
Less than 1 year	7,389.84	3.00% - 8.95%	2,138.44	4.61% - 8.95%	1,654.85	4.61% - 9.95%
Total	**27,455.97**		**19,485.06**		**15,835.32**	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:						
More than 5 years	4,798.08	8.50% - 9.25%	-	-	-	-
3- 5 Years	1,727.40	8.50% - 9.25%	-	-	-	-
1-3 Years	1,604.98	8.50% - 9.25%	-	-	-	-
Less than 1 year	742.14	8.50% - 9.25%	-	-	-	-
Total	**8,872.60**		**-**		**-**	

Note 17. 4 - Terms of repayment of other loans

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:						
Cash credit / Overdraft from Banks (A)						
Less than 1 year	940.00	8.60% - 10.00%	480.00	8.50% -10.00%	1,495.90	8.70% -13.65%
Securitisation Liability (B)						
More than 5 years	3,852.23	6.45% - 8.20%	4,846.35	7.25% - 9.25%	3,015.53	7.25% - 7.90%
3- 5 Years	641.88	6.45% - 8.20%	756.21	7.25% - 9.25%	611.56	7.25% - 7.90%
1-3 Years	605.81	6.45% - 8.20%	667.77	7.25% - 9.25%	521.08	7.25% - 7.90%
Less than 1 year	353.12	6.45% - 8.20%	427.91	7.25% - 9.25%	384.74	7.25% - 7.90%
Sub-Total - Securitisation Liability	**5,453.04**		**6,698.24**		**4,532.91**	
Total (A+B)	**6,393.04**		**7,178.24**		**6,028.82**	

Note 18. Subordinated liabilities

(₹ in Millions)

Particulars	At Amortised Cost		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(A)			
Non-convertible debentures - Unsecured	4,366.73	4,748.75	6,843.32
Total	**4,366.73**	**4,748.75**	**6,843.32**
Subordinated Liabilities in India	4,366.73	4,748.75	6,843.32
Subordinated Liabilities outside India	-	-	-
Total	**4,366.73**	**4,748.75**	**6,843.32**

a. Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024) , ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025).

b. These debentures are subordinated to present and future senior indebtedness of the Corporation and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2021, 78% (as at March 31, 2020, 81% and as at March 31, 2019, 67%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.1 - Terms of repayment of Subordinated Debt **(₹ in Millions)**

Residual Maturity	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
(a) Fixed:						
More than 5 years	1,515.46	8.85% - 9.85%	1,550.00	8.85% - 9.85%	1,550.00	8.85% - 9.85%
3- 5 Years	-	-	1,150.00	8.93% - 9.30%	1,150.00	8.93% - 9.30%
1-3 Years	650.00	8.93% - 9.30%	470.00	9.30% - 10.50%	2,247.31	9.30% - 12.00%
Less than 1 year	598.89	8.85% - 10.50%	154.14	8.85%-10.50%	240.26	8.85% - 12.00%
Total Fixed	**2,764.35**		**3,324.14**		**5,187.57**	
(b) Zero Coupon:						
More than 5 years	1,602.38	9.40%	1,424.61	9.40%	1,337.83	9.40%
1-3 Years					317.92	12.00%
Total Zero Coupon	**1,602.38**		**1,424.61**		**1,655.75**	
Total (a+b)	**4,366.73**		**4,748.75**		**6,843.32**	

Note 18.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
12% Unsecured Subordinate Non Convertible Debentures. Option I. Date Of Maturity 02/04/2020	12.00%	-	-	1,798.58
Unsecured Subordinate Non Convertible Debentures. Option Ii. Date Of Maturity 02/04/2020	12.00%	-	-	201.42
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo1. Date Of Maturity 26/07/2021	10.50%	170.00	170.00	170.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo2. Date Of Maturity 10/08/2021	10.50%	100.00	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date Of Maturity 25/01/2022	9.30%	100.00	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date Of Maturity 11/02/2022	9.30%	100.00	100.00	100.00
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	500.00	1,000.00	1,000.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	150.00	150.00	150.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	750.00	750.00	750.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	100.00	100.00	100.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	400.00	400.00	400.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	300.00	300.00	300.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	1,265.16	1,265.16	1,265.16
Total		**3,935.16**	**4,435.16**	**6,435.16**

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 19. Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Book overdraft*	4,505.78	-	3,862.93
Unclaimed interest and redemption proceeds of	14.26	1,070.55	9.74
Other Payables#	1,333.85	1,512.22	1,470.75
Total	**5,853.89**	**2,582.77**	**5,343.42**

* Book overdraft includes cheque issued towards disbursement to borrowers but not presented to banks as on March 31, 2021, March 31, 2020 and March 31, 2019.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.25 Millions (as at March 31, 2020. Nil/- and as at March 31, 2019, Nil/-) to the Investor Education and Protection Fund (IEPF). As of March 31, 2021, ₹ 0.05 Millions (as at March 31, 2020. Nil/- and as at March 31, 2019, Nil/-) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.16 Millions (as at March 31, 2020 ₹ Nil/- and as at March 31, 2019 ₹ 2.24 Millions/-).

2. In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2021 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits			
-Provision for Leave Encashment	47.76	36.80	33.87
-Provision for Gratuity (Refer 32.2)	-	11.60	2.74
-Provision for Bonus	78.02	111.70	95.80
Total	**125.78**	**160.10**	**132.41**

Note 20.1. Provision for Leave Encashment **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening provision	36.80	33.87	17.31
Additions	28.18	14.86	36.51
Reductions	(17.22)	(11.93)	(19.95)
Closing provision	**47.76**	**36.80**	**33.87**

Note 20.2. Provision for Bonus **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening provision	111.70	95.80	70.09
Additions	78.02	111.70	95.85
Reductions	(111.70)	(95.80)	(70.14)
Closing provision	**78.02**	**111.70**	**95.80**

Note 21. Other Non Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Statutory remittances	85.72	48.25	91.13
Advances from customers	1,044.48	116.45	283.05
Income received in advance	3.41	46.05	124.25
Total	**1,133.61**	**210.75**	**498.43**

Note 22. Equity

(a) The Authorised, Issued, Subscribed and fully paid up share capital
Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital			
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2020 - 152,000,000 and as at March 31, 2019 - 152,000,000)	1,520.00	1,520.00	1,520.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2020 20,000,000 and as at March 31, 2019 20,000,000)	200.00	200.00	200.00
Total	**1,720.00**	**1,720.00**	**1,720.00**
Issued, Subscribed and Paid Up			
Equity Share Capital			
20,968,181 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2020 20,968,181 and as at March 31, 2019 20,968,181)	209.68	209.68	209.68
Total	**209.68**	**209.68**	**209.68**

All the above equity shares are held by IIFL Finance Limited (Formerly Known as IIFL Holdings Limited) and its

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,968,181	209.68	20,968,181	209.68	19,968,181	199.68
Add: Issued during the year	-	-	-	-	1,000,000	10.00
Outstanding at the end of the year	**20,968,181**	**209.68**	**20,968,181**	**209.68**	**20,968,181**	**209.68**

(c) Terms/rights attached to equity shares:
The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid						
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited) and its nominees	20,968,181	100.00%	20,968,181	100.00%	20,968,181	100.00%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) During the year ended March 31, 2019, the Company has issued and allotted 1,000,000 Equity shares, on right issue basis, having face value of ₹ 10 each at a premium of ₹ 990/- per share on November 30, 2018.

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23. Other Equity

(₹ in Millions)

Particulars	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income			Total
						Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance as at April 01, 2018	**7,002.57**	**-**	**962.70**	**1,133.80**	**2,767.13**	**(4.09)**	**-**	**-**	**11,862.11**
Profit for the year	-	-	-	-	3,063.93	-	-	-	**3,063.93**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(98.01)	-	**(98.01)**
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	(9.33)	-	-	**(9.33)**
Equity Dividend	-	-	-	-	(41.94)	-	-	-	**(41.94)**
Dividend Distribution Tax	-	-	-	-	(8.62)	-	-	-	**(8.62)**
Transfer to General Reserve	-	938.60	-	(938.60)	-	-	-	-	**-**
Transfer to Special Reserve	-	-	613.00	-	(613.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve	-	-	-	221.55	(221.55)	-	-	-	**-**
Additions during the year (Net)	989.00	-	-	-	-	-	-	-	**989.00**
Balance as at March 31, 2019	**7,991.57**	**938.60**	**1,575.70**	**416.75**	**4,945.95**	**(13.42)**	**(98.01)**	**-**	**15,757.14**
Profit for the year	-	-	-	-	2,449.22	-	-	-	**2,449.22**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(32.61)	-	**(32.61)**
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	(4.12)	-	-	**(4.12)**
Equity Dividend	-	-	-	-	(314.52)	-	-	-	**(314.52)**
Dividend Distribution Tax	-	-	-	-	(64.65)	-	-	-	**(64.65)**
Transfer to General Reserve	-	500.00	-	(500.00)	-	-	-	-	**-**
Transfer to Special Reserve	-	-	493.00	-	(493.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve	-	-	-	83.25	(83.25)	-	-	-	**-**
Additions during the year (Net)	-	-	-	-	-	-	-	-	**-**
Balance as at March 31, 2020	**7,991.57**	**1,438.60**	**2,068.70**	**-**	**6,439.75**	**(17.54)**	**(130.62)**	**-**	**17,790.46**
Profit for the year	-	-	-	-	4,010.95	-	-	-	**4,010.95**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(35.74)	-	**(35.74)**
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	11.66	-	-	**11.66**
Equity Dividend	-	-	-	-	(524.20)	-	-	-	**(524.20)**
Dividend Distribution Tax	-	-	-	-	-	-	-	-	**-**
Transfer to General Reserve	-	-	-	-	-	-	-	-	**-**
Transfer to Special Reserve	-	-	805.00	-	(805.00)	-	-	-	**-**
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-	-	**-**
Additions during the year (Net)	-	-	-	-	-	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-		(5.72)	**(5.72)**
Balance as at March 31, 2021	**7,991.57**	**1,438.60**	**2,873.70**	**-**	**9,121.50**	**(5.88)**	**(166.36)**	**(5.72)**	**21,247.41**

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Note 24. Interest Income

(₹ in Millions)

Particulars	FY 2020-21		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans*	1,972.82	15,159.48	17,132.30
Interest income from investments	-	12.33	12.33
Interest on inter corporate deposits	-	427.93	427.93
Interest on deposits with Banks	-	214.07	214.07
Total	**1,972.82**	**15,813.81**	**17,786.63**

*In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2021 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

(₹ in Millions)

Particulars	FY 2019-20		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	3,620.30	12,371.26	15,991.56
Interest income from investments	-	12.28	12.28
Interest on inter corporate deposits	-	220.39	220.39
Interest on deposits with Banks	-	146.08	146.08
Total	**3,620.30**	**12,750.01**	**16,370.31**

(₹ in Millions)

Particulars	FY 2018-19		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	3,339.14	12,797.41	16,136.55
Interest income from investments	-	-	-
Interest on inter corporate deposits	-	1.71	1.71
Interest on deposits with Banks	-	145.69	145.69
Total	**3,339.14**	**12,944.81**	**16,283.95**

Note 25. Dividend Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Dividend income	40.71	-	-
Total	**40.71**	**-**	**-**

Note 26. Fees and Commission Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Fees & Other Charges	513.56	548.44	497.93
Insurance Commission	133.82	71.50	189.62
Total	**647.38**	**619.94**	**687.55**

Note 27. Net Gain on Fair Value Changes

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Net gain on financial instruments at FVTPL			
On trading portfolio			
- Investments	185.01	203.52	227.39
Total Net gain on fair value changes	**185.01**	**203.52**	**227.39**
Fair Value changes:			
-Realised	185.01	286.95	227.39
-Unrealised	-	(83.43)	-
Total Net gain on fair value changes	**185.01**	**203.52**	**227.39**

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Note 28. Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Assignment of loans	770.76	176.89	280.71
Foreclosure of loans	95.25	-	
Bad debts recovery	43.92	57.97	3.75
Total	**909.93**	**234.86**	**284.46**

Note 29. Other Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Marketing, advertisement and support service fees	1,107.84	601.58	976.79
Total	**1,107.84**	**601.58**	**976.79**

Note 30. Finance Cost

(₹ in Millions)

Particulars	On Financial liabilities measured at Amortised Cost		
	FY 2020-21	FY 2019-20	FY 2018-19
Interest on inter-corporate deposits	0.00	0.98	-
Interest on borrowings (other than debt securities)	8,094.33	7,721.15	6,053.30
Interest on debt securities	1,882.47	2,312.19	4,225.48
Interest on subordinated liabilities	416.33	680.62	604.35
Other interest expense			
Interest on lease liabilities	17.42	22.45	-
Other borrowing cost	122.18	129.06	139.42
Total	**10,532.73**	**10,866.45**	**11,022.55**

Statement showing exchange fluctuation on account of foreign currency borrowings measured through Other Comprehensive Income:

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Revaluation Gain/(Loss) on Foreign currency loan	94.06	(314.63)	176.08
Recognised in Other Comprehensive Income	(94.06)	314.63	(176.08)

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Millions)

Particulars	FY 2020-21 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	119.08	2,185.32	2,304.40
Bad debts written off	-	412.47	412.47
Total	**119.08**	**2,597.79**	**2,716.87**

(₹ in Millions)

Particulars	FY 2019-20 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	16.53	455.25	471.78
Bad debts written off	-	822.23	822.23
Total	**16.53**	**1,277.48**	**1,294.01**

(₹ in Millions)

Particulars	FY 2018-19 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	48.06	(32.52)	15.54
Bad debts written off	-	183.32	183.32
Total	**48.06**	**150.80**	**198.86**

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Note 32. Employee Benefits Expenses

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Salaries and wages	1,441.57	1,541.27	1,746.49
Contribution to provident and other funds (Refer Note 32.1)	54.82	59.98	50.63
Leave Encashment	22.81	14.49	23.71
Gratuity (Refer Note 32.2)	18.74	16.11	8.19
Staff welfare expenses	46.49	64.45	66.47
Total	**1,584.43**	**1,696.30**	**1,895.49**

The Group company i.e. IIFL Finance Limited, IIFL Securities Limited and IIFL Wealth Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 22.67 Millions (FY 2019-20 ₹ 31.66 Millions and FY 2018-19 ₹ 27.32 Millions) during the year on account of such costs and the same is forming part of Employee benefit expenses.

32.1 Defined Contribution Plans:
The Company has recognised the following amounts as an expense and included in the Employee Benefits Expenses.

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Contribution to Provident fund	27.82	31.57	23.86
Contribution to ESIC	3.87	4.42	7.49
Contribution to Labour Welfare Fund	0.23	0.21	0.07
Company contribution to EPS	21.68	23.09	19.21
Company contribution to NPS & IVTB	1.22	0.69	-
Total	**54.82**	**59.98**	**50.63**

32.2 Disclosures pursuant to Ind AS 19 on "Employee Benefits"

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Type of Benefit	Gratuity	Gratuity	Gratuity
Country	India	India	India
Reporting Currency	INR	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded	Funded
Starting Year	01-04-20	01-04-19	01-04-18
Date of Reporting	31-03-21	31-03-20	31-03-19
Period of Reporting	12 Months	12 Months	12 Months

Assumptions (Current Year)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Expected Return on Plan Assets	6.85%	6.84%	7.59%
Rate of Discounting	6.85%	6.84%	7.59%
Rate of Salary Increase	9.00%	9.00%	10.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 27.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 29% p.a. & thereafter 1% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Present Value of Benefit Obligation at the Beginning of the Year	73.96	51.29	26.44
Interest Cost	5.06	3.89	2.04
Current Service Cost	17.95	15.91	8.26
Past Service Cost	-	-	-
Liability Transferred In/ Acquisitions	6.22	0.77	0.14
Liability Transferred Out/ Divestment	(3.97)	(0.19)	(0.04)
Benefit Paid Directly by the Employer	(0.08)	(0.27)	-
Benefit Paid From the Fund	(6.62)	(1.80)	(0.10)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.61)	1.39	(0.57)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	(0.67)	14.51
Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.71)	3.64	0.61
Present Value of Benefit Obligation at the End of the Year	**82.06**	**73.96**	**51.29**

Table Showing Change in the Fair Value of Plan Assets

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Fair Value of Plan Assets at the Beginning of the Year	62.36	48.55	27.44
Interest Income	4.27	3.69	2.11
Contributions by the Employer	22.84	13.06	18.90
Benefit Paid from the Fund	(6.62)	(1.80)	(0.10)
Return on Plan Assets, Excluding Interest Income	5.11	(1.14)	0.20
Fair Value of Plan Assets at the End of the Year	**87.96**	**62.36**	**48.55**

Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present Value of Benefit Obligation at the end of the Year	82.06	73.96	51.29
Fair Value of Plan Assets at the end of the Year	87.96	62.36	48.55
Funded Status Surplus/ (Deficit)	5.90	(11.60)	(2.74)
Net (Liability)/Asset Recognised in the Balance Sheet	**5.90**	**(11.60)**	**(2.74)**

Net Interest Cost for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Present Value of Benefit Obligation at the Beginning of the Year	73.96	51.29	26.44
Fair Value of Plan Assets at the Beginning of the Year	(62.36)	(48.55)	(27.44)
Net Liability/(Asset) at the Beginning of the Year	**11.60**	**2.74**	**(1.00)**
Interest Cost	5.06	3.89	2.04
Interest Income	(4.27)	(3.69)	(2.12)
Net Interest Cost for Current Year	**0.79**	**0.20**	**(0.08)**

Expenses Recognised in the Statement of Profit and Loss for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Current Service Cost	17.95	15.91	8.26
Net Interest Cost	0.79	0.20	(0.07)
Past Service Cost	-	-	-
Expenses Recognised	**18.74**	**16.11**	**8.19**

Expenses Recognised in the Other Comprehensive Income (OCI) for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Actuarial (Gains)/Losses on Obligation For the Year	(10.47)	4.37	14.55
Return on Plan Assets, Excluding Interest Income	(5.11)	1.14	(0.20)
Net (Income)/Expense For the Year Recognised in OCI	**(15.58)**	**5.51**	**14.35**

Balance Sheet Reconciliation

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	11.60	2.74	(1.00)
Expenses Recognised in Statement of Profit and Loss	18.74	16.11	8.19
Expenses Recognised in OCI	(15.58)	5.51	14.35
Net Liability/(Asset) Transfer In	6.22	0.77	0.14
Net (Liability)/Asset Transfer Out	(3.97)	(0.19)	(0.04)
Benefit Paid Directly by the Employer	(0.08)	(0.27)	-
Employer's Contribution	(22.84)	(13.06)	(18.90)
Net Liability/(Asset) Recognised in the Balance Sheet	**(5.91)**	**11.60**	**2.74**

Category of Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Government of India Assets	-	-	-
State Government Securities	-	-	-
Special Deposits Scheme	-	-	-
Debt Instruments	-	-	-
Corporate Bonds	-	-	-
Cash And Cash Equivalents	-	-	-
Insurance fund	87.96	62.36	48.55
Asset-Backed Securities	-	-	-
Structured Debt	-	-	-
Other	-	-	-
Total	**87.96**	**62.36**	**48.55**

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Ind AS 19 "Employee Benefits".

Other Details

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Prescribed Contribution For Next Year (12 Months)	10.43	29.55	18.64

Net Interest Cost for Next Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Present Value of Benefit Obligation at the End of the Year	82.06	73.96	51.29
Fair Value of Plan Assets at the End of the Year	(87.96)	(62.36)	(48.55)
Net Liability/(Asset) at the End of the Year	**(5.90)**	**11.60**	**2.74**
Interest Cost	5.62	5.06	3.89
Interest Income	(6.02)	(4.27)	(3.68)
Net Interest Cost for Next Year	**(0.40)**	**0.79**	**0.21**

Expenses Recognized in the Statement of Profit or Loss for Next Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Current Service Cost	16.33	17.95	15.90
Net Interest Cost	(0.40)	0.79	0.21
Expected Contributions by the Employees	-	-	-
Expenses Recognised	**15.93**	**18.74**	**16.11**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Projected Benefits Payable in Future Years From the Date of Reporting			-
1st Following Year	2.79	0.93	0.93
2nd Following Year	0.72	0.64	0.41
3rd Following Year	0.85	0.73	0.49
4th Following Year	0.95	0.85	0.56
5th Following Year	1.05	0.94	0.65
Sum of Years 6 To 10	8.95	7.01	4.48
Sum of Years 11 and above	307.19	292.78	252.51

Sensitivity Analysis

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Projected Benefit Obligation on Current Assumptions	82.05	73.96	51.29
Delta Effect of +1% Change in Rate of Discounting	(12.92)	(12.16)	(8.59)
Delta Effect of -1% Change in Rate of Discounting	16.05	15.16	10.75
Delta Effect of +1% Change in Rate of Salary Increase	12.10	11.80	8.48
Delta Effect of -1% Change in Rate of Salary Increase	(10.84)	(10.40)	(7.33)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.44)	(2.50)	(2.18)
Delta Effect of -1% Change in Rate of Employee Turnover	2.81	2.89	2.50

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

Note 33. Other Expenses

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Advertisement*	20.04	22.94	21.02
Loan processing expenses	70.63	107.35	174.57
Marketing Expenses	19.55	48.82	58.86
Bank Charges	9.17	20.82	4.41
Communication	14.28	14.99	14.95
Electricity	14.01	25.50	20.68
Rating and Custodian Fees	1.18	16.41	8.17
Legal & Professional Fees	142.20	191.53	195.70
Commission & Sitting Fees	5.68	3.71	2.60
Miscellaneous Expenses	3.12	2.85	2.31
Office Expenses	60.05	64.60	56.04
Postage & Courier	6.48	8.74	13.43
Printing & Stationary	8.64	9.83	11.76
Rates & Taxes	1.02	0.30	1.18
Rent (Refer note 12A)	31.34	59.91	104.09
Repairs & Maintenance	7.30	8.08	7.49
Payments to auditors**	4.85	2.79	2.40
Software Charges*	27.63	32.73	20.25
Security Expenses	22.20	16.14	12.31
Travelling & Conveyance	26.21	58.05	58.37
Corporate Social Responsibility (CSR) Expenses (Refer note 40)	79.06	63.48	36.05
Loss on sale of assets	14.29	0.56	0.87
Total	**588.93**	**780.13**	**827.51**

***Payments made in foreign currency on accrual basis** **(₹ in Millions)**

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
For Software Charges	-	0.23	-
For Advertisement	-	-	4.34

****Payments to auditors** **(₹ in Millions)**

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Audit Fees	1.72	0.93	0.49
Limited Reviews	0.55	0.82	0.49
Other matters and certification	1.96	0.46	0.54
Out of Pocket Expenses	0.62	0.58	0.88
Total	**4.85**	**2.79**	**2.40**

Note 34. Income taxes

Amounts recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Current tax expense			
Current year	1,419.33	855.10	1,434.00
Tax of earlier years	0.97	(8.63)	(8.40)
Deferred tax expense			
Origination and reversal of temporary differences	(331.41)	(6.33)	4.38
Total	**1,088.89**	**840.14**	**1,429.98**

Reconciliation of total tax expense

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Profit before tax	**5,099.84**	**3,289.36**	**4,493.91**
Tax using the domestic tax rate	1,283.53	827.86	1,570.35
Tax effect of:			
Non-deductible expenses	21.37	13.31	12.53
Tax-exempt income (includes deduction u/s 80JJAA)	(204.85)	(105.52)	(207.54)
Tax on Dividend	(10.25)	-	-
Income taxed at different rates	(4.23)	(0.94)	(1.18)
Income routed through OCI		-	61.53
Change in Tax Rate	-	111.10	-
Recognition of previously unrecognised deductible temporary differences	2.34	2.96	2.68
Adjustments for current tax for prior periods	0.98	(8.63)	(8.40)
Total income tax expense	**1,088.89**	**840.14**	**1,429.98**

Note 35. Exceptional Items

During the year ended March 31, 2020, the Company has purchased mortgage loan portfolio from India Infoline Finance Limited (then holding Company of the Company) w.e.f. June 30, 2019. India Infoline Finance Limited merged into the ultimate holding Company IIFL Finance Limited (Formerly known as IIFL Holdings Limited) w.e.f. March 30, 2020. Day one loss on recognition aggregating to ₹ 15.04 Millions has been recorded as an exceptional item.

Note 36. Earnings Per Share:

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Ind AS 33 "Earnings per share"

(₹ in Millions)

Particulars		FY 2020-21	FY 2019-20	FY 2018-19
Nominal value of equity shares in ₹ fully paid up		10	10	10
BASIC				
Profit after tax as per Statement of Profit and Loss (Total operations)	A	4,010.95	2,449.22	3,063.93
Weighted Average Number of Equity Shares Outstanding	B	20,968,181	20,968,181	20,302,428
Basic EPS (In ₹) (i) Total operations	**A/B**	**191.29**	**116.81**	**150.91**
DILUTED				
Weighted Average Number of Equity shares for computation of diluted EPS	C	20,968,181	20,968,181	20,302,428
Diluted EPS (In ₹) (i) Total operations	**A/C**	**191.29**	**116.81**	**150.91**

Note 37. Capital / Other Commitments and Contingent Liabilities at Balance Sheet date

a. Commitments: There were undrawn credit commitments of ₹ 14,757.15 Millions as at March 31, 2021 (as at March 31, 2020, ₹ 12,718.37 Millions and as at March 31, 2019 ₹ 15,905.43 Millions) representing the loan amounts sanctioned but not disbursed.

b. Contingent Liabilities (as certified by the management):

i. Claim against the Company not acknowledge as debt ₹ 1.15 Millions for the year ended March 31, 2021 (as at March 31, 2020 ₹ Nil/- and as at March 31, 2019 ₹ 0.30 Millions).

ii. Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 1,900.56 Millions and ₹ 233.40 respectively as at March 31, 2021(as at March 31, 2020 ₹ 1,868.12 Millions and ₹ 233.40 Millions and as at March 31, 2019 ₹ 1,322.91 Millions and NIL/-).

c. Guarantee: The Company has provided Guarantee of ₹ Nil/- (For FY 19-20, ₹ 20.00 Millions and For FY 18-19, ₹ 20.00 Millions).

Note 38. Minimum Lease Rental as at March 31, 2019

(₹ in Millions)

Minimum Lease Rentals	FY 2018-19
Due for	
Up to One year	11.36
One to Five years	15.75
Total	**27.11**

Note 39. Disclosure as per Ind AS -108 "Operating Segments"

The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

Note 40. Corporate Social Responsibility

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
(a) Gross amount required to be spent by the Company during the year	78.05	63.16	36.04
(b) Amount spent in cash during the year on:			
(i) Construction/acquisition of any asset	-	-	
(ii) On purpose other than (i) above	79.06	63.48	36.05

The aforementioned amount spent during the year has been contributed to India Infoline Foundation and others.

Note 41 Financial Instruments

Note 41 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Financial Risk Management Structure

The Company has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Company being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

The Company has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

41 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the company monitors its portfolio, based on product, underlying security and credit risk characteristics.

41 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Company has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardize credit underwriting & improve sourcing quality in the long run.

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation, additional Management overlay on account of COVID-19 has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The company categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Company evaluates risk based on staging which are as follows:

(₹ in Millions)

Risk Categorisation	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Stage 1	137,579.44	121,756.08	128,988.41
Stage 2	9,366.35	7,279.85	5,008.93
Stage 3	3,298.10	2,400.36	1,364.93
Total	**150,243.89**	**131,436.29**	**135,362.27**

Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Company expects no defaults in the above mentioned financial assets and insignificant history of defaults has been observed by the Management in the previous years on such Financial Assets. Hence no ECL has been recognised on the above mentioned Financial assets as at the reporting date.

41 A.1(II) Credit quality analysis

(a). The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

As at March 31, 2021					
Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**Financial assets for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured at Simplified Approach**	**Total**
Cash and cash equivalents	-	-	-	4,123.27	**4,123.27**
Bank Balance other than above	-	-	-	4,437.40	**4,437.40**
Receivables					
(i) Trade Receivables	308.23	-	-	-	**308.23**
Loans	114,299.32	9,127.89	3,293.24	-	**126,720.45**
Other Financial assets	-	-	-	2,346.31	**2,346.31**

(₹ in Millions)

As at March 31, 2020					
Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**Financial assets for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured at Simplified Approach**	**Total**
Cash and cash equivalents	-	-	-	9,251.67	**9,251.67**
Bank Balance other than above	-	-	-	3,556.63	**3,556.63**
Receivables					
(i) Trade Receivables	-	-	-	181.63	**181.63**
Loans*	90,170.11	7,249.00	2,342.73	1,535.10	**101,296.94**
Other Financial assets	-	-	-	1,383.87	**1,383.87**

(₹ in Millions)

As at March 31, 2019					
Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**Financial assets for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured at Simplified Approach**	**Total**
Cash and cash equivalents	-	-	-	8,068.42	**8,068.42**
Bank Balance other than above	-	-	-	1,968.94	**1,968.94**
Receivables					**-**
(i) Trade Receivables	-	-	-	291.39	**291.39**
Loans*	94,064.52	4,991.22	1,345.18	-	**100,400.92**
Other Financial assets	-	-	-	1,124.69	**1,124.69**

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances **(₹ in Millions)**

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2020	**119,052.44**	**13,453.87**	**7,034.84**	**392.40**	**2,052.28**	**290.43**	**128,139.56**	**14,136.70**
New Loans Disbursed during the year	50,371.84	7,855.07	457.91	7.13	42.94	-	**50,872.69**	**7,862.20**
Loan Derecognised	(14,402.98)	(191.35)	(268.38)	(23.14)	(530.84)	(41.45)	**(15,202.20)**	**(255.94)**
Movement in Stages								-
From Stage 1	(6,474.07)	(456.91)	5,837.79	397.10	636.28	59.82	-	-
From Stage 2	3,198.41	140.21	(3,991.10)	(192.55)	792.69	52.33	-	-
From Stage 3	134.03	9.39	155.07	10.87	(289.10)	(20.26)	-	-
Loans Repaid in part or full	(15,259.79)	(5,828.71)	(221.06)	126.31	(9.35)	261.76	**(15,490.20)**	**(5,440.64)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	(73.80)	-	0.04	-	0.57	-	**(73.19)**
Closing EAD March 31, 2021	**136,619.88**	**14,907.77**	**9,005.07**	**718.16**	**2,694.90**	**603.20**	**148,319.85**	**16,229.13**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 14,305.09 Millions (As at March 31, 2020 ₹ 12,514.44 Millions)

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2019	**127,982.18**	**16,732.42**	**4,837.23**	**335.51**	**1,183.19**	**161.99**	**134,002.60**	**17,229.92**
New Loans Disbursed during the year	29,274.86	5,473.17	2,020.28	39.53	400.57	64.64	**31,695.71**	**5,577.34**
Loan Derecognised	(17,216.48)	(142.63)	(477.00)	(38.12)	(393.77)	(51.56)	**(18,087.25)**	**(232.32)**
Movement in Stages								
From Stage 1	(3,919.50)	(350.58)	3,323.34	269.61	596.16	80.97	-	-
From Stage 2	1,591.71	117.94	(2,139.21)	(159.59)	547.50	41.65	-	-
From Stage 3	174.95	22.83	50.50	4.43	(225.45)	(27.27)	-	-
Loans Repaid in part or full	(18,835.28)	(8,399.28)	(580.30)	(58.97)	(55.92)	20.01	**(19,471.50)**	**(8,438.24)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing EAD March 31, 2020	**119,052.44**	**13,453.87**	**7,034.84**	**392.40**	**2,052.28**	**290.43**	**128,139.56**	**14,136.70**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 12,514.44 Millions (As at March 31, 2019 ₹ 15,831.60 Millions)

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2018	**120,076.13**	**14,728.51**	**4,030.99**	**283.01**	**902.24**	**152.54**	**125,009.36**	**15,164.06**
New Loans Disbursed during the year	66,203.37	9,961.10	203.10	28.33	82.88	-	**66,489.35**	**9,989.43**
Loan Derecognised	(34,513.55)	(692.49)	(264.59)	(6.71)	(255.13)	(83.92)	**(35,033.27)**	**(783.12)**
Movement in Stages	-	-	-	-	-	-	**-**	**-**
From Stage 1	(3,051.38)	(366.86)	2,511.41	350.50	539.97	16.36	**-**	**-**
From Stage 2	1,043.78	106.43	(1,314.75)	(128.07)	270.97	21.64	**-**	**-**
From Stage 3	52.95	3.93	124.74	11.31	(177.69)	(15.24)	**-**	**-**
Loans Repaid in part or full	(21,829.12)	(7,008.20)	(453.67)	(202.86)	(180.05)	70.61	**(22,462.84)**	**(7,140.45)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	**-**	**-**	**-**	-	-	**-**	**-**
Closing EAD March 31, 2019	**127,982.18**	**16,732.42**	**4,837.23**	**335.51**	**1,183.19**	**161.99**	**134,002.60**	**17,229.92**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 15,831.60 Millions (As at March 31, 2018 ₹ 13,984.21 Millions)

Loss Allowances

(₹ in Millions)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2020	**778.97**	**43.54**	**443.70**	**23.70**	**482.61**	**290.58**	**1,705.28**	**357.81**
New Loans Disbursed during the year	440.23	53.19	31.73	1.30	15.12	2.27	**487.07**	**56.76**
Loan Derecognised	(54.55)	(3.19)	(10.59)	(1.13)	(162.10)	(38.91)	**(227.24)**	**(43.23)**
Movement in Stages								
From Stage 1	(64.79)	(2.11)	60.83	1.90	3.95	0.21	**-**	**0.00**
From Stage 2	174.87	1.88	(276.98)	(13.11)	102.11	11.23	**-**	**0.00**
From Stage 3	34.70	9.39	39.46	10.88	(74.16)	(20.26)	**-**	**-**
Loans Repaid in part or full	710.07	4.90	525.68	27.57	626.52	363.47	**1,862.27**	**395.94**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	**-**	**-**
Closing ECL March 31, 2021	**2,019.50**	**107.60**	**813.83**	**51.11**	**994.05**	**608.59**	**3,827.38**	**767.28**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 87.28 Millions (As at March 31, 2020 ₹ 29.70 Millions).

(₹ in Millions)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2019	**580.00**	**48.62**	**165.39**	**11.17**	**283.55**	**161.99**	**1,028.94**	**221.78**
New Loans Disbursed /Purchased during the year	172.21	16.48	149.29	3.25	110.52	65.66	432.02	85.40
Loan Derecognised	(72.94)	(1.81)	(9.68)	(1.28)	(109.58)	(51.56)	(192.20)	(54.66)
Movement in Stages								
From Stage 1	(19.66)	(1.47)	16.67	1.16	2.99	0.31	-	0.00
From Stage 2	110.51	4.88	(116.94)	(5.99)	6.43	1.11	(0.00)	0.00
From Stage 3	39.81	22.83	11.73	4.43	(51.54)	(27.27)	-	-
Loans Repaid in part or full	(30.96)	(45.99)	227.24	10.96	240.24	140.33	436.52	105.29
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2020	**778.97**	**43.54**	**443.70**	**23.70**	**482.61**	**290.58**	**1,705.28**	**357.81**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 29.70 Millions (As at March 31, 2019 ₹ 37.17 Millions).

(₹ in Millions)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2018	**584.56**	**53.37**	**173.95**	**14.25**	**233.00**	**152.54**	**991.51**	**220.16**
New Loans Disbursed /Purchased during the year	262.99	26.86	1.94	0.58	19.46	6.29	284.39	33.73
Loan Derecognised	(132.18)	(3.54)	(30.80)	(0.75)	(64.33)	(83.93)	(227.31)	(88.22)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(16.28)	(1.93)	13.61	1.84	2.67	0.09	-	-
From Stage 2	67.51	4.09	(74.16)	(5.28)	6.64	1.19	-	-
From Stage 3	11.99	3.93	30.25	11.31	(42.24)	(15.24)	-	-
Loans Repaid in part or full	(198.59)	(34.16)	50.60	(10.78)	128.34	101.05	(19.65)	56.11
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2019	**580.00**	**48.62**	**165.39**	**11.17**	**283.55**	**161.99**	**1,028.94**	**221.78**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 37.17 Millions (As at March 31, 2018 ₹ 44.15 Millions).

41 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

For the year ended March 31, 2021, 63% of the Company's Loan outstanding is from Borrowers residing across 5 various states of India

41 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2019-20
Write off	412.47	822.23	183.32

41 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

41 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Amortised Cost of Modified Assets at the time of modification	4,515.80	-	3.28
Modification Loss / (Gain) for the year	73.27	-	(0.96)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of Modified financial assets	3,986.79	-	3.76

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification ''Resolution Framework for COVID-19-related Stress''.

41 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Company has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2021	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	292.08	-	-	-	292.08	-	-
Trade Payables	351.58	351.58	-	-	-	-	-
Lease Liabilities*	191.58	9.69	9.57	17.50	63.51	46.37	44.94
Debt Securities	21,027.50	4,523.06	5,024.82	2,318.21	1,648.81	1,156.61	6,355.99
Borrowings (Other than Debt Securities)	104,708.22	8,964.13	8,187.95	11,795.14	39,222.78	15,634.40	20,903.82
Subordinated Liabilities	4,366.73	31.09	367.15	200.65	650.00	-	3,117.84
Other financial liabilities	5,853.89	5,853.89	-	-	-	-	-

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2020	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	150.27	-	-	-	-	150.27	-
Trade Payables	290.74	290.74	-	-	-	-	-
Lease Liabilities*	320.46	17.06	17.34	34.70	106.75	80.06	64.55
Debt Securities	23,667.61	5,610.22	1,450.48	1,421.13	11,124.40	761.38	3,300.00
Borrowings (Other than Debt Securities)	95,034.18	5,574.10	6,395.73	11,140.13	38,213.49	18,845.71	14,865.02
Subordinated Liabilities	4,748.75	25.66	127.49	0.99	470.00	1,150.00	2,974.61
Other financial liabilities	2,582.77	2,582.77	-	-	-	-	-

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2019	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	421.32	-	8.19	-	-	413.13	-
Trade Payables	477.45	477.45	-	-	-	-	-
Lease Liabilities*	-	-	-	-	-	-	-
Debt Securities	30,160.64	6,470.37	2,524.58	972.99	16,789.42	2,416.58	986.70
Borrowings (Other than Debt Securities)	86,010.35	3,131.70	4,177.99	10,040.37	37,355.29	20,497.40	10,807.60
Subordinated Liabilities	6,843.32	52.34	126.98	60.94	2,565.23	1,150.00	2,887.83
Other financial liabilities	5,343.42	5,343.42	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

(ii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting year : **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	710.00	1,420.00	1,717.10
- Expiring beyond one year (bank loans and NCDs)	-	-	-

41 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

41 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Company's Net Interest Income.

Total Borrowings of the Company are as follows:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Floating rate borrowings	80,265.07	79,148.65	72,312.40
Fixed rate borrowings	49,837.38	44,301.89	50,701.91
Total borrowings	**130,102.45**	**123,450.54**	**123,014.31**

As at the end of the reporting year, the Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.54%	77,252.26	59.38%	9.10%	75,549.13	61.20%	8.98%	70,175.04	57.05%
Non Convertible Debentures	9.15%	3,012.81	2.32%	9.32%	3,599.52	2.92%	9.20%	2,137.36	1.74%
Net exposure to cash flow interest rate risk		**80,265.07**	**61.70%**		**79,148.65**	**64.11%**		**72,312.40**	**58.78%**

An analysis by maturities is provided in note 41 A 2(I) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps	9.36%	3,675.23	2.82%	9.36%	3,769.29	3.05%	9.36%	3,458.57	2.81%

The Company had following floating rate loans outstanding:

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans*	11.66%	150,243.89	100.00%	11.87%	129,532.84	100.00%	11.90%	133,908.83	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

Particulars	Impact on profit after tax			Impact on other components of equity		
	FY 2020-21	FY 2019-20	FY 2018-19	FY 2020-21	FY 2019-20	FY 2018-19
Interest rates – increase by 30 basis points (30 bps) *	(180.19)	(177.69)	(141.13)	-	-	-
Interest rates – decrease by 30 basis points (30 bps) *	180.19	177.69	141.13	-	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Millions)

Particulars	Impact on profit after tax		
	FY 2020-21	FY 2019-20	FY 2018-19
Interest rates – increase by 30 basis points (30 bps) *	337.29	290.80	261.35
Interest rates – decrease by 30 basis points (30 bps) *	(337.29)	(290.80)	(261.35)

* Holding all other variables constant

41 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Company's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Company's operating units

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

(in Millions)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2021	3,675.23	50.00
Borrowing as on March 31, 2020	3,769.29	50.00
Borrowing as on March 31, 2019	3,808.57	55.00

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency risk on this borrowing.

41 A.3(III) Price Risk

The Company's equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Company periodically monitors the performance of the investee companies.

The Company's exposure to assets having price risk is as under

(₹ in Millions)

Particulars	Equity Shares	Total
Market value as on March 31, 2021	-	**-**
Market value as on March 31, 2020	378.52	**378.52**
Market value as on March 31, 2019	-	**-**

Sensitivity

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

(₹ in Millions)

Particulars	Impact on profit after tax			Impact on other components of equity		
	FY 2020-21	FY 2019-20	FY 2018-19	FY 2020-21	FY 2019-20	FY 2018-19
Increase by 5%	-	14.16	-	-	-	-
Decrease by 5%	-	(14.16)	-	-	-	-

41 A.3(IV) Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

41.B Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Net Debt (₹ in Millions)	130,102.45	123,450.53	123,014.31
Total Equity (₹ in Millions)	21,457.09	18,000.14	15,966.82
Net Debt to Equity Ratio (times)	6.06	6.86	7.70

41.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in Millions)

Particulars	As at March 31, 2021			
	FVTPL	FVTOCI	Amortised cost	At Cost
Financial assets				
Cash and cash equivalents	-	-	4,123.27	-
Bank Balance other than cash and cash equivalents	-	-	4,437.40	-
Receivables				
(i) Trade Receivables	-	-	308.23	-
Loans	-	23,266.92	122,382.31	-
Investments	-	-	125.97	1,546.23
Other Financial assets	-	-	2,337.85	-
Total financial assets	**-**	**23,266.92**	**133,715.03**	**1,546.23**
Financial liabilities				
Derivative financial instruments	-	292.08	-	-
Trade Payables	-	-	351.58	-
Lease Liabilities	-	-	149.03	-
Debt Securities	-	-	21,027.50	-
Borrowings (Other than Debt Securities)	-	-	104,708.22	-
Subordinated Liabilities	-	-	4,366.73	-
Other financial liabilities	-	-	5,853.89	-
Total financial liabilities	**-**	**292.08**	**136,456.95**	**-**

(₹ in Millions)

Particulars	As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	9,251.67
Bank Balance other than cash and cash equivalents	-	-	3,556.63
Receivables			
(i) Trade Receivables	-	-	181.63
Loans	-	29,862.56	99,510.65
Investments	378.52	-	155.57
Other Financial assets	-	-	1,375.78
Total financial assets	**378.52**	**29,862.56**	**114,031.93**
Financial liabilities			
Derivative financial instruments	-	150.27	-
Trade Payables	-	-	290.74
Lease Liabilities	-	-	253.49
Debt Securities	-	-	23,667.61
Borrowings (Other than Debt Securities)	-	-	95,034.18
Subordinated Liabilities	-	-	4,748.75
Other financial liabilities	-	-	2,582.77
Total financial liabilities	**-**	**150.27**	**126,577.54**

(₹ in Millions)

Particulars	As at March 31, 2019		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents			8,068.42
Bank Balance other than cash and cash equivalents			1,968.94
Receivables			
(i) Trade Receivables			291.39
Loans		34,879.09	99,232.47
Investments	-		-
Other Financial assets			1,116.40
Total financial assets	**-**	**34,879.09**	**110,677.62**
Financial liabilities			
Derivative financial instruments	-	421.32	
Trade Payables	-		477.45
Lease Liabilities	-	-	-
Debt Securities	-		30,160.64
Borrowings (Other than Debt Securities)	-		86,010.35
Subordinated Liabilities	-		6,843.32
Other financial liabilities	-		5,343.42
Total financial liabilities	**-**	**421.32**	**128,835.18**

41.B.2 Financial instruments measured at fair value – Fair value hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2021				
Financial assets				
Loans - FVTOCI	**-**	**-**	23,266.92	23,266.92
Investments			-	
(i) Equity	-	-	-	-
Total financial assets	**-**	**-**	**23,266.92**	**23,266.92**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	292.08	-	292.08
Total financial liabilities	**-**	**292.08**	**-**	**292.08**

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2020				
Financial assets				
Loans - FVTOCI	**-**	**-**	29,862.56	29,862.56
Investments				
(i) Equity	378.52	-	-	378.52
Total financial assets	**378.52**	**-**	**29,862.56**	**30,241.08**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	150.27	-	150.27
Total financial liabilities	**-**	**150.27**	**-**	**150.27**

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2019				
Financial assets				
Loans - FVTOCI			34,879.09	34,879.09
Investments				
(i) Equity				-
Total financial assets	**-**	**-**	**34,879.09**	**34,879.09**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		421.32		421.32
Total financial liabilities	**-**	**421.32**	**-**	**421.32**

Valuation technique used to determine fair value

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
2. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(₹ in Millions)

Assets and liabilities which are measured at amortised cost or cost for which fair values are disclosed As at March 31, 2021	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	122,367.83	122,382.31	Level 3
Investments			
(i) Equity Instruments	1,623.77	1,546.23	Level 3
Total financial assets	**123,991.60**	**123,928.54**	
Financial Liabilities			
Debt Securities	19,517.03	21,027.50	Level 3
Subordinated Liabilities	4,035.09	4,366.73	Level 3
Total financial liabilities	**23,552.12**	**25,394.23**	

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2020	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	99,510.65	99,510.65	Level 3
Total financial assets	**99,510.65**	**99,510.65**	
Financial Liabilities			
Debt Securities	20,353.31	23,667.61	Level 3
Subordinated Liabilities	4,206.11	4,748.75	Level 3
Total financial liabilities	**24,559.42**	**28,416.36**	

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2019	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	99,232.47	99,232.47	Level 3
Total financial assets	**99,232.47**	**99,232.47**	
Financial Liabilities	-		
Debt Securities	27,891.13	30,160.64	Level 3
Subordinated Liabilities	6,037.69	6,843.32	Level 3
Total financial liabilities	**33,928.82**	**37,003.96**	

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Equity instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Short-term financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

41.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Millions)

Particulars	Loans - FVTOCI		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Balance	29,862.56	34,879.09	23,761.00
Sold during the year	(14,887.13)	(20,832.52)	(36,573.57)
Issuances	8,291.49	15,815.99	47,691.66
Closing Balance	**23,266.92**	**29,862.56**	**34,879.09**

41.B.4 Transferred financial assets that are derecognised in their entirety

For the year ended March 31, 2021, March 31, 2020 and March 31, 2019 the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Millions)

Loans and advances	FY 2020-21	FY 2019-20	FY 2018-19
Carrying amount of derecognised financial assets	14,887.13	20,832.52	36,573.57
Gain from derecognition for the year	770.76	176.89	280.71

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets - **(₹ in Millions)**

Loans and advances	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of continuing involvement in derecognised financial assets	8,039.49	8,202.04	6,273.57

41.B.5 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Millions)

Securitisations	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Carrying amount of transferred assets measured at amortised cost	5,374.25	6,568.86	4,532.91
Carrying amount of associated liabilities	5,453.04	6,698.24	4,532.91
Fair value of assets	5,374.25	6,568.86	4,532.91
Fair value of associated liabilities	5,453.04	6,698.24	4,532.91

42. IIFL Home Finance Limited is exempt from preparation of consolidation of financial statements. The holding company i.e. IIFL Finance Limited (L67100MH1995PLC093797) will prepare consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 as amended by Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016

43.A Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure"

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited (formerly known as IIFL Holdings Limited)
Fellow Subsidiary & Associate	Samasta Microfinance Limited
Fellow Subsidiary	Clara Developers Private Limited (ceased w.e.f. July 26, 2020)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Wealth Management Limited
	IIFL Wealth Finance Limited
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	5Paisa Capital Limited
	India Infoline Foundation
Key Management Personnel and other Directors	Mr. S. Sridhar - Chairman and Independent Director
	Mr. Nirmal Jain - Non Executive Director
	Mr. R. Venkataraman - Non Executive Director
	Mr. Kranti Sinha - Independent Director
	Ms. Suvalaxmi Chakraborty - Independent Director
	Mr. AK Purwar- Independent Director
	Mr. Monu Ratra - Executive Director & CEO

List includes related parties with whom transactions were carried out during current or previous year.

43.B Significant transactions with related parties for the year ended March 31, 2021:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	333.59	-	-	-	333.59
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	46.61	-	46.61
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	28.17	-	28.17
Samasta Microfinance Limited	-	19.56	-	-	19.56
Interest Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	28.38	-	-	-	28.38
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6.47	-	-	-	6.47
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	71.50	-	71.50
Arranger fees Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	1.27	-	-	-	1.27
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	4.08	-	4.08
Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.00	-	0.00
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Short Term Benefit	-	-	-	38.61	38.61
Mr. Monu Ratra - Post Employment Benefit	-	-	-	0.32	0.32

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Sitting Fees paid to Directors					
Mr. Kranti Sinha	-	-	-	0.57	0.57
Mr. S. Sridhar	-	-	-	0.69	0.69
Ms. Suvalaxmi Chakraborty	-	-	-	0.48	0.48
Mr. AK Purwar	-	-	-	0.33	0.33
Commission to Directors					
Mr. Kranti Sinha	-	-	-	1.00	1.00
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Interim Dividend Payment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	524.20	-	-	-	524.20
Interim Dividend Received					
Samasta Microfinance Limited	-	40.10	-	-	40.10
ICD Taken					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	11,950.00	-	-	-	11,950.00
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3,570.00	-	3,570.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	20.00	-	20.00
ICD Returned					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3,570.00	-	3,570.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	11,950.00	-	-	-	11,950.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	20.00	-	20.00

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD/Loan Given					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	82,387.10	-	-	-	82,387.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	7,073.50	-	7,073.50
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	327.50	-	327.50
Samasta Microfinance Limited	-	1,000.00	-	-	1,000.00
ICD/Loan received back					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	82,387.10	-	-	-	82,387.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	8,039.50	-	8,039.50
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	569.10	-	569.10
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	327.50	-	327.50
Samasta Microfinance Limited	-	1,000.00	-	-	1,000.00
Purchase of Investment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	1,321.23	-	-	-	1,321.23
Equity Shares Allotment					
Samasta Microfinance Limited	-	225.00	-	-	225.00
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	45.13	-	45.13
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	1.27	-	1.27
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	30.15	-	-	-	30.15
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	5.63	-	5.63
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.91	-	1.91

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.00	-	0.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	9.94	-	-	-	9.94
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.01	-	0.01
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.07	-	0.07
IIFL Wealth Management Limited	-	-	-	-	-
5Paisa Capital Limited	-	-	0.11	-	0.11
ESOP					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.20	-	0.20
IIFL Wealth Management Limited	-	-	0.06	-	0.06
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.41	-	-	-	22.41

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.02	-	0.02
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	5.29	-	5.29
5Paisa Capital Limited	-	-	0.14	-	0.14
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	5.55	-	-	-	5.55
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.81	-	1.81
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	13.12	-	-	-	13.12
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.05	-	0.05
5Paisa Capital Limited	-	-	0.06	-	0.06
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.07	-	0.07
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	-	-	0.63	-	0.63
Payment of Assignment Transactions					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	902.18	-	-	-	902.18
Debentures Boughtback					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	500.00	-	-	-	500.00
IIFL Wealth Finance Limited	-	-	224.97	-	224.97

43 C. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.08	-	0.08
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.78	-	1.78

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	7.93	-	-	-	7.93
5paisa Capital Limited	-	-	0.09	-	0.09
IIFL Wealth Management Limited	-	-	0.01	-	0.01
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.06	-	0.06
Debt Securities Outstanding					
IIFL Wealth Finance Limited	-	-	218.00	-	218.00
Provision for Post Employment Benefits					
Mr. Monu Ratra	-	-	-	2.31	2.31
Commission Payable					
Mr. Kranti Sinha	-	-	-	1.00	1.00
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Corporate Guarantee					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	12,255.43	-	-	-	12,255.43

43 D. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Millions)

Name of Related Party	Outstanding as on March 31, 2021	Maximum Outstanding during the year
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	8,242.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	3,000.00
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	569.10
Samasta Microfinance Limited	-	1,000.00

43 E. Significant transactions with related parties for the year ended March 31, 2020:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	129.94	-	-	-	129.94
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	38.96	-	38.96
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	62.01	-	62.01
Interest Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	45.32	-	-	-	45.32
IIFL Wealth Finance Limited	-	-	5.14	-	5.14
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	16.20	-	-	-	16.20
Service Fees Expense on Assignment transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	0.77	-	-	-	0.77
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	58.62	-	58.62
Commission Charges					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	4.85	-	4.85
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	2.00	-	-	-	2.00
Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.04	-	0.04
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Short Term Benefit	-	-	-	55.42	55.42

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	-
Sitting Fees paid to Directors					
Mr. Kranti Sinha	-	-	-	0.48	0.48
Mr. S. Sridhar	-	-	-	0.51	0.51
Ms. Suvalaxmi Chakraborty	-	-	-	0.24	0.24
Mr. AK Purwar	-	-	-	0.12	0.12
Commission to Directors					
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Interim Dividend Payment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	314.52	-	-	-	314.52
ICD Taken					
IIFL Securities Limited (Formerly known as India Infoline Limited)			15,411.00		15,411.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	25,566.94	-	-	-	25,566.94
ICD Returned					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	15,411.00	-	15,411.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	25,566.94	-	-	-	25,566.94
ICD/Loan Given					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	67,796.20	-	-	-	67,796.20
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	33,983.20	-	33,983.20
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	4,695.60	-	4,695.60
ICD/Loan received back					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	67,796.20	-	-	-	67,796.20
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	33,017.20	-	33,017.20
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	4,126.50	-	4,126.50

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	68.37	-	68.37
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	6.00	-	6.00
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	42.28	-	-	-	42.28
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	9.97	-	9.97
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	6.09	-	6.09
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.17	-	0.17
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.11	-	-	-	22.11
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.00	-	0.00
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.45	-	0.45
IIFL Wealth Management Limited	-	-	-	-	-
5Paisa Capital Limited	-	-	0.46	-	0.46
ESOP					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.47	-	0.47
IIFL Wealth Management Limited	-	-	0.13	-	0.13
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	31.06	-	-	-	31.06
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.16	-	0.16
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	10.81	-	10.81
5Paisa Capital Limited	-	-	0.09	-	0.09
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6.99	-	-	-	6.99

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3.15	-	3.15
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	31.76	-	-	-	31.76
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.22	-	0.22
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.00	-	0.00
5Paisa Capital Limited	-	-	2.06	-	2.06
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.29	-	0.29
Payment towards Assignment Transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	4.24	-	-	-	4.24
Purchase of Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6,050.00	-	-	-	6,050.00
Payment of Assignment Transactions					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	954.16	-	-	-	954.16
Receipt towards Assignment Transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	9.29	-	-	-	9.29
Debentures Boughtback					
IIFL Wealth Finance Limited	-	-	739.83	-	739.83

43 F. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.02	-	0.02
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.41	-	0.41
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.89	-	-	-	22.89

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Receivable to Group/Holding Company					
IIFL Management Services Limited	-	-	0.03	-	0.03
Debt Securities Outstanding					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	500.00	-	-	-	500.00
Interest accrued on outstanding debt securities					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	30.46	-	-	-	30.46
Provision for Post Employment Benefits					
Mr. Monu Ratra	-	-	-	1.87	1.87
Commission Payable					
Mr. S. Sridhar	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
Corporate Guarantee					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	17,524.37	-	-	-	17,524.37
ICD/Loan Given					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	966.00	-	966.00
IIFL Management Services Limited	-	-	569.10	-	569.10

Figures in brackets represents previous year's figures.

43 G. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Millions)

Name of Related Party	Outstanding as on March 31, 2020	Maximum Outstanding during the year
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	6,220.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	966.00	2,000.00
IIFL Management Services Limited	569.10	2,142.10

43 H. Significant transactions with related parties for the year ended March 31, 2019

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	24.67	-	-	-	24.67
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1.41	-	1.41
Interest Expense					
IIFL Finance Limited	27.64	-	-	-	27.64
IIFL Alternate Asset Advisors Limited	-	-	0.76	-	0.76
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited	12.41	-	-	-	12.41
Service Fees Expense on Assignment transaction					
IIFL Finance Limited	4.17	-	-	-	4.17
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	36.05	-	36.05
Other Borrowing Cost - Arranger fees					
IIFL Wealth Management Limited	-	-	53.64	-	53.64
Commission Charges					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	26.79	-	26.79
Samasta Microfinance Limited	-	6.14	-	-	6.14
Other Expenses - Rent Expenses					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	19.24	-	19.24
Other Expenses - Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.02	-	0.02

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Executive Director & CEO	-	-	-	56.25	56.25
Sitting Fees paid to Directors					
Mr. Kranti Sinha Director				0.39	0.39
Mr. S. Sridhar Director				0.30	0.30
Ms. Suvalaxmi Chakraborty- Independent Director				0.09	0.09
Commission to Directors					
Mr. S. Sridhar Director	-	-	-	1.00	1.00
Ms. Suvalaxmi Chakraborty- Independent Director	-	-	-	0.67	0.67
Interim Dividend Payment					
IIFL Finance Limited	41.94	-	-	-	41.94
ICD Taken					
IIFL Finance Limited	77,147.00	-	-	-	77,147.00
ICD Returned					
IIFL Finance Limited	77,147.00	-	-	-	77,147.00
ICD/Loan Given					
IIFL Finance Limited	4,410.00	-	-	-	4,410.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,500.00	(-)	1,500.00
ICD/Loan received back					
IIFL Finance Limited	4,410.00	-	-	-	4,410.00
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,500.00	-	1,500.00
Equity Shares Allotment					

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	1,000.00	-	-	-	1,000.00
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	45.69	-	45.69
IIFL Finance Limited	6.18	-	-	-	6.18
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	2.74	-	2.74
IIFL Finance Limited	26.99	-	-	-	26.99
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	12.03	(-)	12.03
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.31	-	1.31
IIFL Finance Limited	2.27	-	-	-	2.27
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.03	(-)	0.03
IIFL Finance Limited	26.12	-	-	-	26.12
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.00	(-)	0.00
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.12	-	0.12
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	13.84	-	13.84
5Paisa Capital Limited	-	-	0.03	-	0.03
IIFL Finance Limited	5.65	-	-	-	5.65
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.05	-	0.05

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	0.22	-	-	-	0.22
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.03	-	0.03
Payment towards Assignment Transaction					
IIFL Finance Limited	30.70	-	-	-	30.70
Receipt towards Assignment Transaction					
IIFL Finance Limited	68.54	-	-	-	68.54
Debenture Issued					
IIFL Alternate Asset Advisors Limited	-	-	510.00	-	510.00
IIFL Wealth Finance Limited	-	-	382.24	-	382.24
Debenture Redemption					
IIFL Alternate Asset Advisors Limited	-	-	147.13	-	147.13

43 I. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.05	-	0.05
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.94	-	0.94
IIFL Finance Limited	37.53	-	-	-	37.53
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.63	-	0.63
IIFL Finance Limited	0.50	-	-	-	0.50

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Receivable towards assignment					
IIFL Finance Limited	5.35	-	-	-	5.35
Payable towards assignment					
IIFL Finance Limited	1.89	-	-	-	1.89
Debt Securities Outstanding					
IIFL Finance Limited	500.00	-	-	-	500.00
Interest accrued on outstanding debt securities					
IIFL Finance Limited	30.34	-	-	-	30.34
Outstanding loan amount of securitised book purchased					
IIFL Finance Limited	125.48	-	-	-	125.48
Provision for Leave Encashment					
Mr. Monu Ratra - Executive Director & CEO	-	-	-	0.64	0.64
Provision for Gratuity					
Mr. Monu Ratra - Executive Director & CEO	-	-	-	0.83	0.83
Outstanding loan amount of securitised book sold					
IIFL Finance Limited	137.48	-	-	-	137.48
Corporate Guarantee					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	24,427.68	-	-	-	24,427.68

Figures in brackets represents previous year's figures.

43 J. Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:

(₹ in Millions)

Name of Related Party	Outstanding as on March 31, 2019	Maximum Outstanding during the year
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	1,000.00
IIFL Finance Limited	-	350.00

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 44. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2021 **(₹ in Millions)**

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4,123.27	-	**4,123.27**
(b)	Bank balance other than (a) above	4,014.86	422.54	**4,437.40**
(c)	Receivables			
	(I) Trade receivables	308.23	-	**308.23**
(d)	Loans	30,849.89	114,799.34	**145,649.23**
(e)	Investments	4.23	1,667.97	**1,672.20**
(f)	Other financial assets	45.02	2,292.83	**2,337.85**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	143.57	**143.57**
(b)	Deferred tax assets (net)	-	701.71	**701.71**
(c)	Investment Property	-	70.05	**70.05**
(d)	Property, plant and equipment	-	24.84	**24.84**
(e)	Right of use assets	-	131.68	**131.68**
(f)	Other intangible assets	-	1.26	**1.26**
(g)	Other non-financial assets	30.61	6.74	**37.35**
(h)	Assets held for sale	139.46	-	**139.46**
	Total Assets	**39,515.57**	**120,262.53**	**159,778.10**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	292.08	**292.08**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	351.58	-	**351.58**
(c)	Lease Liabilities	25.40	123.63	**149.03**
(d)	Debt securities	11,866.10	9,161.40	**21,027.50**
(e)	Borrowings (other than debt securities)	28,947.22	75,761.00	**104,708.22**
(f)	Subordinated liabilities	598.89	3,767.84	**4,366.73**
(g)	Other financial liabilities	5,853.89	0.00	**5,853.89**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	312.59	-	**312.59**
(b)	Provisions	85.80	39.98	**125.78**
(c)	Other non-financial liabilities	1,133.61	-	**1,133.61**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	21,247.41	**21,247.41**
	Total liabilities and equity	**49,175.08**	**110,603.02**	**159,778.10**

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 44. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2020 **(₹ in Millions)**

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	9,251.67	-	**9,251.67**
(b)	Bank balance other than (a) above	3,552.03	4.60	**3,556.63**
(c)	Receivables			
	(I) Trade receivables	181.63	-	**181.63**
(d)	Loans	38,039.43	91,333.78	**129,373.21**
(e)	Investments	385.34	148.75	**534.09**
(f)	Other financial assets	23.66	1,352.12	**1,375.78**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	128.05	**128.05**
(b)	Deferred tax assets (net)	-	336.60	**336.60**
(c)	Investment Property	-	111.83	**111.83**
(d)	Property, plant and equipment	-	48.72	**48.72**
(e)	Right of use assets	-	238.35	**238.35**
(f)	Other intangible assets	-	2.94	**2.94**
(g)	Other non-financial assets	32.78	2.66	**35.44**
(h)	Assets held for sale	-	-	**-**
	Total Assets	**51,466.54**	**93,708.40**	**145,174.94**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	150.27	**150.27**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	290.74	-	**290.74**
(c)	Lease Liabilities	49.69	203.80	**253.49**
(d)	Debt securities	8,481.83	15,185.78	**23,667.61**
(e)	Borrowings (other than debt securities)	23,397.96	71,636.22	**95,034.18**
(f)	Subordinated liabilities	154.14	4,594.61	**4,748.75**
(g)	Other financial liabilities	2,582.77	-	**2,582.77**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	76.14	-	**76.14**
(b)	Provisions	129.36	30.74	**160.10**
(c)	Other non-financial liabilities	210.75	-	**210.75**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	17,790.46	**17,790.46**
	Total liabilities and equity	**35,373.38**	**109,801.56**	**145,174.94**

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

Note 44. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2019 **(₹ in Millions)**

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	8,068.42	-	**8,068.42**
(b)	Bank balance other than (a) above	1,968.94	-	**1,968.94**
(c)	Derivative financial instruments	-	-	
(c)	Receivables			
	(I) Trade receivables	291.39	-	**291.39**
	(II) Other Receivables	-	-	
(d)	Loans	40,423.25	93,688.31	**134,111.56**
(e)	Investments	-	-	**-**
(f)	Other financial assets	45.98	1,070.42	**1,116.40**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	141.15	**141.15**
(b)	Deferred tax assets (net)	-	320.08	**320.08**
(c)	Investment Property	-	-	**-**
(d)	Property, plant and equipment	-	46.37	**46.37**
(e)	Right of use assets	-	-	**-**
(f)	Other intangible assets	-	3.29	**3.29**
(g)	Other non-financial assets	26.63	2.77	**29.40**
(h)	Assets held for sale	-	-	**-**
	Total Assets	**50,824.61**	**95,272.39**	**146,097.00**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	8.19	413.13	**421.32**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	477.45	-	**477.45**
(c)	Lease Liabilities	-	-	**-**
(d)	Debt securities	9,967.94	20,192.70	**30,160.64**
(e)	Borrowings (other than debt securities)	18,247.67	67,762.68	**86,010.35**
(f)	Subordinated liabilities	240.26	6,603.06	**6,843.32**
(g)	Other financial liabilities	5,343.42	-	**5,343.42**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	242.84	-	**242.84**
(b)	Provisions	106.37	26.04	**132.41**
(c)	Other non-financial liabilities	498.43	-	**498.43**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	15,757.14	**15,757.14**
	Total liabilities and equity	**35,132.57**	**110,964.43**	**146,097.00**

REFORMATTED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Reformatted Financial Statements as at and for year ended March 31, 2021, March 31, 2020 and March 31, 2019

45. RBI Disclosures

45 A. Disclosure made vide Notification no. DOR.No.BP.BC.63/21.04.048/2019-20 April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning

Covid 19 and its impact on business

RBI through its circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 on Covid-19 regulatory package permitted HFC's to grant a moratorium to their customers on the payment of instalments and/or interest, falling due between March 1, 2020 and August 31, 2020. The Company had accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies.

Post internal assessments and analysis company has provided moratorium to customers across different products. This moratorium will not impact the assets classifications of the accounts. Also extra provision in respect to these account is duly provided as per the regulatory notifications & ECL assessment.

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
Respective amounts in overdue categories, where the moratorium/deferment was extended	13,158.19^	13,555.14
Respective amount where asset classification benefits is extended*	-	2,566.53
Provisions made in terms of paragraph 5**	-	492.19
Provisions adjusted during the respective accounting periods against slippages and the residual provisions**	-	-
Residual provisions in terms of paragraph 6 of the circular**	-	492.19

^ Position as at February 29, 2020.

*As per Supreme Court Judgement assets classification benefit has been withdrawn. Consequently, there are no assets as on march 31, 2021 wherein assets classification benefit has been extended.

**The Company has made adequate provision for impairment loss allowances (as per ECL Model) for the year ended March 31, 2021.

45 B. Disclosure made vide Notification "RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21" dated August 06,2020 on Resolution Framework for COVID-19-related Stress.

(₹ in Millions)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window*	(B) exposure to accounts mentioned at (A) before implementation of the plan*	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	1064	1,259.78		-	-
Corporate persons	3	172.32			-
of which MSMEs	-	-	-	-	-
Others	229	356.45	-	3.04	-
Total	**1,296**	**1,788.55**	-	**3.04**	**-**

* Consists of all the cases where resolution plan has been implementated.
**The Company has made adequate provision for impairment loss allowances (as per ECL Model) for the year ended March 31, 2021.

45 C. Disclosure made vide Notification No - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on "Implementation of Indian Accounting Standards"

(₹ in Millions)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	137,577.71	2,043.02	135,534.69	851.73	1,191.29
	Stage 2	9,368.30	861.74	8,506.56	43.58	818.16
Subtotal		**146,946.01**	**2,904.76**	**144,041.25**	**895.31**	**2,009.45**
Non-Performing Asset						
Substandard	Stage 3	1,708.06	734.34	973.72	233.47	500.87
Doubtfull upto 1 year	Stage 3	1,022.57	501.30	521.27	208.38	292.92
1 to 3 years	Stage 3	643.65	358.13	285.52	197.43	160.70
More than 3 years	Stage 3	153.51	98.38	55.13	97.42	0.96
Subtotal for doubtful		**1,819.73**	**957.81**	**861.92**	**503.23**	**454.58**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**3,527.79**	**1,692.15**	**1,835.64**	**736.70**	**955.45**
Other items such as guarantees, loan commitments,	Stage 1	13,950.15	84.14	13,866.01	-	84.14
	Stage 2	354.94	3.14	351.80	-	3.14
etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norm	Stage 3	-	-	-	-	-
Subtotal for Other Items		**14,305.09**	**87.28**	**14,217.81**	**-**	**87.28**
Total	**Stage 1**	**151,527.86**	**2,127.16**	**149,400.70**	**851.73**	**1,275.43**
	Stage 2	**9,723.24**	**864.88**	**8,858.36**	**43.58**	**821.30**
	Stage 3	**3,527.79**	**1,692.15**	**1,835.64**	**736.70**	**955.45**
	Total	**164,778.89**	**4,684.19**	**160,094.70**	**1,632.01**	**3,052.18**

*Includes Assets held for sale aggregating to ₹ 139.46 Millions (Net of ECL Provision) for which disposal is under process as per SARFAESI Act.(Refer Note No. 14).
In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PDNo.109/22.10.106/2019-20 dated March 13,2020 on implementation of Indian Accounting Standards,Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at March 31,2021 and accordingly, no amount is required to be transferred to impairment reserve.

45 D. Annex III Schedule to the Balance Sheet

(₹ in Millions)

Particulars				As at March 31, 2021		As at March 31, 2020	
				Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side							
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**						
	(a)	Debentures : Secured		21,027.50	-	23,667.61	-
		: Unsecured		4,366.73	-	4,748.75	-
		(other than falling within the meaning of public deposits*)					
	(b)	Deferred Credits		-	-	-	-
	(c)	Term Loans		98,315.18	-	87,855.93	-
	(d)	Inter-corporate loans and borrowing		-	-	-	-
	(e)	Commercial Paper		-	-	-	-
	(f)	Public Deposits*		-	-	-	-
	(g)	Other Loans		-	-	-	-
		Securitisation Liability		5,453.04	-	6,698.24	-
		Cash credit / Overdraft from Banks		940.00	-	480.00	-
	* Please see Note 1 below						
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**						
	(a)	In the form of Unsecured debentures		-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a		-	-	-	-
	(c)	Other public deposits		-	-	-	-
	* Please see Note 1 below						
Assets side				**Amount outstanding**		**Amount outstanding**	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**						
	(a)	Secured			150,448.72		129,901.19
	(b)	Unsecured			25.08		1,535.10
4	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**						
	(i)	Lease assets including lease rentals under sundry debtors					
		(a)	Financial lease		-		-
		(b)	Operating lease		-		-
	(ii)	Stock on hire including hire charges under sundry debtors					
		(a)	Assets on hire		-		-
		(b)	Repossessed Assets		-		-
	(iii)	Other loans counting towards asset financing activities					
		(a)	Loans where assets have been repossessed		-		-
		(b)	Loans other than (a) above		-		-
5	**Break-up of Investments**						
	Current Investments						
	1	Quoted					
		(i)	Shares				
			(a) Equity		-		378.52
			(b) Preference		-		-
		(ii)	Debentures and Bonds		-		-
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (please specify)		-		-
	2	Unquoted					
		(i)	Shares		-		-
			(a) Equity		-		-
			(b) Preference		-		-
		(ii)	Debentures and Bonds		-		-
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (please specify)		-		-
	Long Term investments						
	1	Quoted					
		(i)	Share		-		-
			(a) Equity		-		-
			(b) Preference		-		-
		(ii)	Debentures and Bonds		-		-
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (please specify)		-		-
	2	Unquoted					
		(i)	Shares		-		-
			(a) Equity		1,546.23		-
			(b) Preference		-		-
		(ii)	Debentures and Bonds		125.97		155.57
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (please specify)		-		-

6 Borrower group-wise classification of assets financed as in (3) and (4) above:
(Please see Note 2 below)

Category			Amount net of provisions			Amount net of provisions		
			Secured	Unsecured	Total	Secured	Unsecured	Total
1	**Related Parties ****							
	(a)	Subsidiaries	-	-	-	-	-	-
	(b)	Companies in the same group	-	-	-	-	1,535.10	1,535.10
	(c)	Other related parties	-	-	-	-	-	-
2	Other than related parties		145,788.69	-	145,788.69	127,838.11	-	127,838.11
Total			**145,788.69**	**-**	**145,788.69**	**127,838.11**	**1,535.10**	**129,373.21**

45 D. Annex III Schedule to the Balance Sheet

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
(Please see Note 3 below)

Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **					
	(a)	Subsidiaries	-	-	-	-
	(b)	Companies in the same group	1,623.77	1,546.23	-	-
	(c)	Other related parties	-	-	-	-
2	Other than related parties		125.97	125.97	534.09	534.09
Total						
** As per notified Accounting Standard (Please see Note 3)						

8 Other information

Particulars			Amount	Amount
(i)	Gross Non-Performing Assets#			
	(a)	Related parties	-	-
	(b)	Other than related parties	3,527.79	2,342.73
(ii)	Net Non-Performing Assets#			
	(a)	Related parties	-	-
	(b)	Other than related parties	1,835.64	1,569.54
(iii)	Assets acquired in satisfaction of debt			

Note:
Assets classified as Assets held for sale are disclosed sepreatly in the financial statement as per requirements of IND AS 105. For the purpose of reporting above, such assets aggregating to ₹ 229.68 Millions and ₹ 139.46 Millions have been presented as a part of Gross Non Performing Assets and Net Non-Performing Assets respectively.

46. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

The below mentioned notes have been prepared as per Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 ("IND AS"). The comparative previous year figures, wherever applicable, have been presented on the basis of erstwhile IGAAP and hence may not be comparable.

46.1. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Millions)

No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
15	111,784.13	NA	80.82%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(ii) Top 20 large deposits (amount in Rs Millions and % of total deposits) – Not Applicable

(iii)Top 10 borrowings

(₹ in Millions)

Amount	% of Total Borrowings
100,863.54	77.53%

(iv) Funding Concentration based on significant instrument / product

(₹ in Millions)

Name of the Product	Amount	% of Total Liabilities*
Non Convertible Debentures	25,394.23	18.36%
Term Loans	98,315.18	71.08%
Securitisation	5,453.04	3.94%
Cash Credit / Overdraft Facilties	940.00	0.68%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(v) Stock Ratios

Stock Ratio	%
Commercial papers as a % of total liabilities	0%
Commercial papers as a % of total assets	0%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
Other short-term liabilities as a % of total liabilities	35.55%
Other short-term liabilities as a % of total assets	30.78%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time.

The Company also manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

46.2. Disclosure on Principal business criteria

Particulars	March 31, 2021
Total Housing Loans (%)	61.18%
Individual Housing Loans (%)	55.77%

*% of Total assets netted of intangible assets.

46.3. Other Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

I. Capital

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(i) CRAR %	22.98	23.71	21.02
(ii) CRAR - Tier I Capital (%)	19.61	18.35	15.82
(iii) CRAR - Tier II Capital (%)	3.37	5.36	5.20
(iv) Amount of subordinated debt raised as Tier- II Capital	3,935.16	4,435.16	6,435.16
(v) Amount raised by issue of Perpetual Debt Instruments	-	-	-

II) Reserve fund u/s 29C of NHB Act, 1987

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Balance at the beginning of the year			
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	1,844.41	1,458.16	896.23
b) Statutory Reserve U/s 29C of the NHB Act, 1987	224.29	117.54	66.47
Total	**2,068.70**	**1,575.70**	**962.70**
Addition/Appropriation/Withdrawal during the year			
Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	780.17	386.25	561.93
b) Amount transferred U/s 29C of the NHB Act, 1987	24.83	106.75	51.07
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-	-
Balance at the end of the year			
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	2,624.58	1,844.41	1,458.16
b) Statutory Reserve U/s 29C of the NHB Act, 1987	249.12	224.29	117.54
Total	**2,873.70**	**2,068.70**	**1,575.70**

III) Investments

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
A) Value of Investments			
(i) Gross Value of Investments			
(a) In India*	1,747.04	617.51	-
(b) Outside India	-	-	-
(ii) Provision for Depreciation			
(a) In India	4.79	83.43	-
(b) Outside India	-	-	-
(iii) Net value of Investments			
(a) In India	1,742.25	534.09	-
(b) Outside India	-	-	-
B) Movement of provisions held towards depreciation on investments			
(i) Opening balance	83.43	-	-
(ii) Add: Provisions made during the year	4.79	83.43	-
(iii) Less: Write-off / Write back of excess provisions during the year	83.43	-	-
(iv) Closing balance	4.79	83.43	-

IV) Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(i) The notional principal of swap agreements	3,630.75	3,630.75	3,980.75
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks.		
(v) The fair value of the swap book	292.08	150.27	421.32

b. Exchange Traded Interest Rate (IR) Derivative

(₹ in Millions)

Particulars	March 31, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Millions)

Particulars	March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Millions)

Particulars	March 31, 2019
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2019 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

c. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

To manage these risks, the compnay has board approved policy framework for derivatives, consistent with its general corporate responsibility for corporate governance. The management of derivative activity would be further integrated into the company's overall risk management system.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

Objectives of the policy

- Identify and manage the company's debt and related interest rate risk
- Reduce overall interest cost of the company
- Management of foreign currency positions, derivative transactions and related risks
- To evaluate and measure these risks and their sensitivity to operations
- Establish processes for monitoring and control of the risks as per policy
- Effective MIS and regular reporting of positions and risks to the Risk Management Committee

B. Quantitative Disclosure

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2021	March 31, 2021
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	292.08	-
(iii) Credit Exposure [2]		-
(iv) Unhedged Exposures	-	-

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2020	March 31, 2020
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	150.27	-
(iii) Credit Exposure [2]		-
(iv) Unhedged Exposures	-	-

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2019	March 31, 2019
(i) Derivatives (Notional Principal Amount) For hedging	3,980.75	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	421.32	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

V) Details on Securitisation

a) Securitisation transactions under SPV Structure sponsored by HFC

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
1) No of SPVs sponsored by the HFC for securitisation transactions	9	9	8
2) Total amount of securitised assets as per books of the SPVs sponsored	5,374.25	6,408.61	4,388.06
3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet			
I) Off-balance sheet exposures towards Credit Enhancements	-	-	-
II) On-balance sheet exposures towards Credit Enhancements	1,437.69	1,437.69	899.87
4) Amount of exposures to securitisation transactions other than MRR			
I) Off-balance sheet exposures towards Credit Enhancements			
(a) Exposure to own securitizations	-	-	-
b) Exposure to third party securitizations	-	-	-
II) On-balance sheet exposures towards Credit Enhancements			
(a) Exposure to own securitizations	462.87	430.43	423.03
(b) Exposure to third party securitizations	-	-	-

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

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
(i) No. of accounts	-	-	3
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-	7.33
(iii) Aggregate consideration	-	-	11.40
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / (loss) over net book value	-	-	4.07

c) Details of Assignment transactions undertaken

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
(i) No. of accounts	10,967	11,305	19,488
(ii) Aggregate value (net of provisions) of accounts assigned	14,887.13	20,832.52	36,573.57
(iii) Aggregate consideration	14,887.13	20,832.52	36,573.57
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-

d) Details of non-performing financial assets purchased/sold

Details of non-performing financial assets purchased

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
1) (a) No. of accounts purchased during the year	-	-	-
(b) Aggregate outstanding	-	-	-
2) (a) Of these, number of accounts restructured during the year	-	-	-
(b) Aggregate outstanding	-	-	-

Details of non-performing financial assets sold

(₹ in Millions)

Particulars	2020-21	2019-20	2018-19
(i) No. of accounts sold	-	-	3
(ii) Aggregate outstanding	-	-	34.84
(iii) Aggregate consideration received	-	-	11.40

VII) Exposure

a) Exposure to Real Estate Market

(₹ in Millions)

Category	March 31, 2021	March 31, 2020	March 31, 2019
a) Direct exposure			
(i)Residential Mortgages-			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	138,854.54	99,444.15	104,587.10
(ii)Commercial Real Estate-			
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc.).Exposure would also include non-fund based(NFB)limits;	11,619.26	24,094.95	26,617.81
(iii)Investments in Mortgage Backed Securities(MBS) and other securitized exposures-			
a. Residential	125.97	-	-
b. Commercial Real Estate	-	-	-
b)Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-	-

Exposure includes amount outstanding including principal and interest accrued.

b) Exposure to Capital Market

(₹ in Millions)

Category	March 31, 2021	March 31, 2020	March 31, 2019
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	378.52	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-	-
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-

Note: Investments are shown as net of provision for mark to market.

c) Details of financing of parent company products: The Company does not have any exposure in financing of parent company products

d) Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC: The Company has not exceeded the SGL and GBL Limits.

e) Unsecured Advances: The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing. The Company does not have any unsecured advances other than those mentioned in Note 7.

f) Exposure to group companies engaged in real estate business

(₹ in Millions)

Description	March 31, 2021	March 31, 2020	March 31, 2019
i) Exposure to any single entity in a group engaged in real estate business	-	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-	-

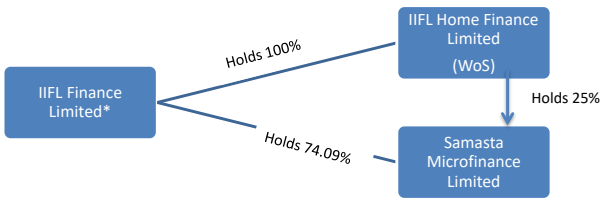
46.2. Miscellaneous

I) Details of registration obtained from other financial regulators: The Company is acting as corporate agent for general insurance business. It has obtained license from Insurance Regulatory and Development Authority of India (IRDA) (Registration Number CA0453).

II) Penalties imposed by NHB or any other regulators: During the year the company has paid a penaly of ₹ 1.85 Millions excluding GST.

III) Related Party Transactions: Related party transaction details have been disclosed under Note 43.

IV) Group Structure as on March 31, 2021:



*Formerly Known as IIFL Holdings Limited

V) Note on Rating assigned by Credit Rating Agencies and migration of rating during the year

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2021

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	21,520.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	60,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Negative reaffirmed	32,640.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA / Negative Reaffirmed	4,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Negative Reaffirmed	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative Reaffirmed	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Negative [Double A; Outlook: Negative]	220.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00

b) Details of Migration of Ratings for the FY 2020-21

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2020-21	Rating in 2019-20
Non-Convertible Debentures (NCD)	CARE Ratings	220.00	CARE AA; Negative [Double A; Outlook: Negative]	CARE AA; Stable [Double A; Outlook: Stable]

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2020

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable	17,500.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable	45,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Negative	40,000.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA / Negative	6,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Negative	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable [Double A; Outlook: Stable]	4,000.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00

b) Details of Migration of Ratings for the FY 2019-20

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2019-20	Rating in 2018-19
Unsecured Subordinated NCDs	Brickwork Ratings	1,000.00	BWR AA+ 'Negative'	BWR AA+ Stable
Subordinated NCDs	Brickwork Ratings	2,350.00	BWR AA+ 'Negative'	BWR AA+ Stable
Secured NCDs	Brickwork Ratings	250.00	BWR AA+ 'Negative'	BWR AA+ Stable
Non-convertible Debenture Programme	ICRA Limited	40,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Subordinate Debt programme	ICRA Limited	6,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Long Term Fund Based Bank Lines Programme	ICRA Limited	50,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Long term principal protected market linked debenture programme	ICRA Limited	2,000.00	PP-MLD[ICRA]AA / Negative	PP-MLD[ICRA]AA(stable)

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2019

(` in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Secured NCDs Proposed	Brickwork Ratings	BWR AA+/Stable	250.00
Unsecured Subordinated NCD	Brickwork Ratings	BWR AA+/Stable	1,000.00
Subordinated NCD	Brickwork Ratings	BWR AA+/Stable	2,350.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable	40,000.00
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable	17,500.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	3,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+	50,000.00
Commercial Paper programme	ICRA Limited	[ICRA]A1+	50,000.00
NCD Programme	ICRA Limited	[ICRA]AA(stable)	40,000.00
Subordinate Debt Programme	ICRA Limited	[ICRA]AA(stable)	6,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA(stable)	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA(stable)	2,000.00
Non-Convertible Debentures	CARE Ratings	CARE AA; Stable	4,000.00

b) Details of Migration of Ratings for the FY 2018-19

(` in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2018-19	Rating in 2017-18
Non-Convertible Debentures (NCD)	CARE Ratings	40,000.00	CARE AA; Stable	CARE AA /Outlook positive

VI) Remuneration of Non-Executive Directors

(₹ in Millions)

Name of Directors	Remuneration Paid 2020-21	Remuneration Paid 2019-20	Remuneration Paid 2018-19
Mr. Kranti Sinha	1.57	0.48	0.39
Mr. S. Sridhar	1.69	1.51	1.30
Ms. Suvalaxmi Chakraborty	1.48	1.24	0.76
Mr. AK Purwar	0.33	0.12	-

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) As at March 31, 2021

(₹ in Millions)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	709.87	-	526.75	4,716.98	2,748.85	8,119.68	11,655.58	34,941.73	14,992.51	17,075.94	**95,487.89**
Market Borrowing	434.80	83.44	684.22	1,299.68	2,197.30	5,460.25	2,658.42	3,154.63	3,613.64	11,260.89	**30,847.27**
Foreign Currency Liabilities	-	-	-	116.38	-	-	-	3,650.89	-	-	**3,767.27**
Assets											
Advances	861.28	693.14	4,094.22	2,744.67	2,747.76	7,406.85	13,590.95	44,229.94	25,045.16	44,374.71	**145,788.68**
Investments	0.17	0.17	-	0.34	0.34	1.04	2.16	9.59	10.83	1,647.55	**1,672.19**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at March 31, 2020

(₹ in Millions)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	1,139.42	598.21	3,263.90	6,321.15	10,985.94	37,522.26	14,296.73	10,204.75	**84,332.36**
Market Borrowing	460.00	-	2,500.00	1,101.25	-	1,150.00	1,406.25	10,509.30	3,367.05	4,600.00	**25,093.85**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	3,769.30	-	**3,769.30**
Assets											
Advances	187.57	33.71	3.09	229.02	1,110.54	3,862.69	5,725.36	32,621.27	19,758.79	58,061.76	**121,593.80**
Investments	378.52	-	-	-	-	-	-	-	-	-	**378.52**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at March 31, 2019

(in Millions)

Particulars	Upto 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 year	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	538.71	312.50	1,726.45	4,120.42	9,233.97	36,980.08	16,427.28	2,686.58	2,448.74	2,656.76	**77,131.48**
Market Borrowing	989.12	5,325.75	-	2,313.00	923.25	17,880.69	3,401.25	1,001.89	2,815.16	-	**34,650.11**
Foreign Currency Liabilities	-	-	346.10	-	-	-	3,458.57	-	-	-	**3,804.67**
Assets											-
Advances	3,521.35	3,500.27	3,501.44	5,125.18	8,817.39	36,287.77	23,463.06	12,748.03	8,836.45	23,724.65	**129,525.59**
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VII) Management : Refer the Management Discussion and Analysis section

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

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. For any change in accounting policies refer Significant Accounting Policies Note 3.

IX) Revenue Recognition : No revenue recognition has been postponed pending the resolution of significant uncertainties

X) Applicability of Consolidation of Financial Statements: IIFL Home Finance Limited is exempt from preparation of consolidation of financial statements. The holding company i.e. IIFL Finance Limited (L67100MH1995PLC093797) will prepare consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 as amended by Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016.

46.3. Additional Disclosures

I) Details on Provisions and Contingencies
a) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in Millions)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2020-21	2019-20	2018-19
Provisions for depreciation on Investment	4.79	83.43	-
Provision made towards Income tax	1,088.89	651.28	1,341.78
Provision towards NPA	918.96	391.20	193.25
Provision for Standard Assets	**1,702.12**	**629.60**	**-13.50**
CRE – Residential	45.93	190.82	-15.42
CRE – Others	-32.67	6.78	-14.39
Others	1,688.86	432.00	16.31

b) Break up of Loans and Advances and Provisions thereon

(₹ in Millions)

Breakup of Loans and Advances and Provisions thereon	Housing			Non-Housing		
	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019
Standard Assets						
a) Total Outstanding Amount	99,871.14	82,351.88	88,722.56	47,074.87	39,222.67	41,381.75
b) Provisions made	1,836.19	663.36	314.43	1,155.84	485.64	178.17
Sub-Standard Assets			-			-
a) Total Outstanding Amount	732.20	733.76	606.28	975.85	634.08	245.93
b) Provisions made	259.84	377.63	367.26	474.50	358.81	159.38
Doubtful Assets - Category I			-			-
a) Total Outstanding Amount	577.30	241.59	166.57	445.27	94.56	52.13
b) Provisions made	254.19	170.41	126.49	247.11	70.04	40.63
Doubtful Assets - Category II			-			-
a) Total Outstanding Amount	369.99	170.55	59.97	273.66	131.71	20.67
b) Provisions made	184.40	157.34	51.33	173.73	118.77	17.82
Doubtful Assets - Category III			-			-
a) Total Outstanding Amount	69.59	-	2.02	83.92	-	0.07
b) Provisions made	42.91	-	2.02	55.47	-	0.07
Loss Assets						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Total						
a) Total Outstanding Amount	**101,620.22**	**83,497.78**	**89,557.40**	**48,853.57**	**40,083.02**	**41,700.55**
b) Provisions Amount	**2,577.53**	**1,368.74**	**861.53**	**2,106.65**	**1,033.26**	**396.07**

II) Details on drawn drown from reserves
The disclosure pertaining to drawn down from Reserves has been disclosed shown in Statement of Changes in Equity.

III) Concentration of Public Deposits, Advances, Exposures and NPAs

a) Concentration of Public Deposits: The Company, being a non-deposit taking housing finance company, does not hold any deposits from public.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	-	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-	-

b) Concentration of Loans & Advances

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	10,456.98	10,600.25	9,576.96
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	6.95%	8.71%	7.39%

c) Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers / customers	11,261.20	11,712.10	10,750.58
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	6.82%	8.57%	7.30%

Note: Exposure includes amount outstanding including principal, interest overdue, interest accrued but not due and sanctioned but undisbursed.

d) Concentration of NPAs **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Exposure to top ten NPA accounts	733.45	424.02	404.44

e) Sector wise NPAs - Percentage of NPAs to Total Advances in that sector

Sector	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019
A. Housing Loans			
1. Individuals	1.82%	1.52%	0.88%
2. Builders/Project Loans	0.75%	0.61%	1.44%
3. Corporates	-	-	-
4. Others (specify)	-	-	-
B. Non-Housing Loans			
1. Individuals	3.61%	1.91%	0.67%
2. Builders/Project Loans	4.21%	3.29%	2.89%
3. Corporates	3.56%	2.51%	0.65%
4. Others (specify)	-	-	-

*Includes Interest overdue and Accrued but not due.

IV) Movement of NPAs **(₹ in Millions)**

Particulars	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2019
(I) Net NPAs to Net Advances (%)	1.24%	0.62%	0.30%
(II) Movement of NPAs (Gross)			
a. Opening balance	2,342.73	1,153.63	868.92
b. Additions during the year	1,942.60	1,512.87	763.62
c. Reductions during the year	(757.54)	(660.26)	(478.91)
d. Closing balance	**3,527.79**	**2,006.24**	**1,153.63**
(III) Movement of NPAs (Net)			
a. Opening balance	1,569.54	388.64	297.17
b. Additions during the year	793.66	648.32	352.89
c. Reductions during the year	(527.57)	(283.71)	(261.42)
d. Closing balance	**1,835.64**	**753.25**	**388.64**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a. Opening balance	773.19	765.00	571.76
b. Provisions made during the year	1,148.93	920.32	550.67
c. Write-off/write-back of excess provisions	(229.97)	(432.32)	(357.43)
d. Closing balance	**1,692.15**	**1,253.00**	**765.00**

*Closing and opening of Gross Non Performing Asset includes Interest Accrued and others of ₹ 603.20 Millions and ₹ 290.43 Millions respectively.

V) Overseas Assets **(₹ in Millions)**

Particulars	2020-21	2019-20	2018-19
N.A.	N.A.	N.A.	N.A.

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

(₹ in Millions)

Name of the SPV Sponsored	Domestic	Overseas
NA.	N.A.	N.A.

VII) Percentage of outstanding loans granted against the collateral gold jewellery to the outstanding total assets is ₹ Nil. (P.Y. ₹ Nil.)

VIII) Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries : The company have operations only in India and does not have any joint venture partners with regard to joint ventures and overseas subsidiaries.

46.4. Disclosure of Complaints

I) Details on Customer Complaints

Particulars	2020-21	2019-20	2018-2019
a) No. of complaints pending at the beginning of the year	24	21	7
b) No. of complaints received during the year	1,108	1,036	800
c) No. of complaints redressed during the year	1,099	1,033	786
d) No. of complaints pending at the end of the year	33	24	21

Customer complaints details as given above are as identified by the Company and relied upon by the auditors.

47. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

48. These reformatted financial statements were authorised for issue by the Company's Finance Committee of Board of Directors on November 29, 2021.

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner

For Suresh Surana and Associates LLP
Chartered Accountants

Ramesh Gupta
Partner

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: November 29, 2021

IIFL Home Finance Limited
Statement of dividend as per IND AS paid / proposed: **Annexure I**

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Share Capital (₹ in millions)		209.68	209.68	209.68
Shares outstanding at the end of the year		20,968,181	20,968,181	20,968,181
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	25.00	15.00	2.00
Total dividend on Equity Shares (₹ in millions)		524.20	314.52	41.94
Dividend Declared Rate (In %)	(c=b/a)	250.00%	150.00%	20.00%
Dividend tax (gross) on dividend (₹ in millions)		-	64.65	8.62

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: November 29, 2021

IIFL Home Finance Limited
Statement of Capitalization as at March 31, 2021 **Annexure II**

(₹ in Millions)

Particulars	Pre issue as at March 31,2021 (D)	Adjustment for the proceeds from Proposed issue (E)	* Post issue as at March 31, 2021 (F= D+E)
Debt			
Debt Securities & Subordinated Liabilities	25,394.23	50,000.00	75,394.23
Borrowings (Other than Debt Securities)	104,708.22	-	104,708.22
Total Debt (A)	**130,102.45**	**50,000.00**	**180,102.45**
Equity			
Equity and Share Capital	209.68	-	209.68
Other Equity	21,247.41	-	21,247.41
Non Controlling Interest	-	-	-
Total Equity (B)	**21,457.09**	**-**	**21,457.09**
Debt / Equity (C=A/ B)	**6.06**		**8.39**

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

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: November 29, 2021

IIFL Home Finance Limited
STATEMENT OF ACCOUNTING RATIOS as per Ind AS (Standalone basis) **Annexure III**

1. Basic and Diluted Earnings per Share **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Weighted average number of equity shares outstanding for computation of Basic EPS (A)	20,968,181	20,968,181	20,302,428
Add: Potential equity shares (B)	-	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	20,968,181	20,968,181	20,302,428
Profit after Tax attributable to equity shareholders [₹ in millions] (D)	4,010.95	2,449.22	3,063.93
Nominal Value of share [in ₹]	10.00	10.00	10.00
Basic earnings per share [in ₹] (E=(D/A)) (not annualised)	191.29	116.81	150.91
Diluted earnings per share [in ₹] (F=(D/C)) (not annualised)	191.29	116.81	150.91

2. Return on Networth

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Profit after tax [₹ in millions] (A)	4,010.95	2,449.22	3,063.93
Average networth [₹in millions] (B) <Refer Note Below>	19,502.98	16,750.89	13,841.03
Return on networth (A/B) (Annualised)	20.57%	14.62%	22.14%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Number of equity shares (A)	20,968,181	20,968,181	20,968,181
Networth [₹ in million] (B) <Refer Note Below>	21,225.30	17,780.66	15,721.12
Net asset value per equity share (B/A)	1,012.26	847.98	749.76

4. Debt-equity ratio

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Debt [₹ in millions] (A) <Refer Note Below>	130,102.45	123,450.53	123,014.31
Equity [₹ in millions] (B)	21,457.09	18,000.14	15,966.82
Debt-equity ratio (A/B)	6.06	6.86	7.70

Notes: **(₹ in Millions)**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Share Capital	209.68	209.68	209.68
Reserve and Surplus	21,247.41	17,790.46	15,757.14
Total Equity (a)	**21,457.09**	**18,000.14**	**15,966.82**
Prepaid expense and Unamortised debenture issue expenses	231.79	219.48	245.70
Total (b)	**231.79**	**219.48**	**245.70**
Networth c= a-b	**21,225.30**	**17,780.66**	**15,721.12**
Average Networth (Refer Note a)	**19,502.98**	**16,750.89**	**13,841.03**
Total Debt			
(i) Debt Securities	21,027.50	23,667.61	30,160.64
(ii) Borrowings (Other than Debt Securities)	104,708.22	95,034.18	86,010.35
(iii) Subordinated Liabilities	4,366.73	4,748.75	6,843.32
Total Debt	**130,102.45**	**123,450.53**	**123,014.31**

a) Average Networth means sum of opening and closing Networth divided by two.

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: November 29, 2021

Suresh Surana and Associates LLP
Chartered Accountants
8th Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

Limited Review Report on quarterly and year to date unaudited Standalone Financial Results pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors of
IIFL Home Finance Limited
(Formerly, India Infoline Housing Finance Ltd.)

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of IIFL Home Finance Limited ("the Company") for the quarter and half year ended September 30, 2021 ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (“Ind AS 34”) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 8 to the unaudited standalone financial results with respect to the management's evaluation of COVID-19 impact on the future performance of the Company. This assessment and the outcome of the pandemic is made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. Our conclusion is not modified in respect of this matter.

6. The unaudited standalone financial results of the Company for the corresponding half year ended 30 September 2020 (Unaudited) and previous financial year ended 31 March 2021 (audited) included in the accompanying Statement, have been reviewed/audited by one of the Joint Auditors i.e. M. P. Chitale & Co. The respective reports issued by M. P. Chitale & Co. on the comparative financial results dated 17 October 2020 and 28 April 2021, respectively expressed an unmodified conclusion/opinion. These reports have been relied upon by Suresh Surana & Associates LLP (Joint Auditors) for the purpose of the review of the Statement. Our conclusion is not modified in respect of this matter.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm's Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 21102306AAAAEY6966

Place: Mumbai
Date: October 21, 2021

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 21145160AAAACB3271

Place: Mumbai
Date: October 21, 2021

IIFL HOME LOAN

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

Amount in lakhs

Sr. No.	Particulars	Quarter ended	Half year ended		Year Ended
		30.09.2021 Unaudited	30.09.2021 Unaudited	30.09.2020 Unaudited	31.03.2021 Audited
1	**Income**				
(I)	**Revenue from operations**				
(i)	Interest Income	46,537.87	93,045.79	87,461.32	1,77,866.35
(ii)	Dividend Income	-	-	5.66	407.14
(iii)	Fees and commission income	1,825.46	3,157.38	2,519.57	6,473.79
(iv)	Net gain on fair value changes	49.71	144.66	1,487.07	1,850.13
(v)	Net gain on derecognition of financial instruments under amortised cost category	3,325.73	4,950.30	6,375.55	9,099.25
(vi)	Net gain on modification of financial instruments under amortised cost category	75.59	83.48	-	-
(I)	**Total Revenue from operations**	**51,814.36**	**1,01,381.61**	**97,849.17**	**1,95,696.66**
(II)	Other Income	3,965.82	5,309.39	2,920.09	11,078.39
(III)	**Total Income (I+II)**	**55,780.18**	**1,06,691.00**	**1,00,769.26**	**2,06,775.05**
2	**Expenses**				
(i)	Finance Costs	26,656.71	52,065.45	53,238.86	1,05,327.34
(ii)	Net loss on modification of financial instruments under amortised cost category	-	-	-	732.73
(iii)	Impairment on financial instruments, including write-offs	3,469.81	6,657.76	15,660.08	27,168.73
(iv)	Employee Benefits Expenses	4,081.35	8,031.76	7,505.17	15,844.32
(v)	Depreciation, amortization and impairment	159.72	305.94	434.30	847.50
(vi)	Other expenses	1,701.96	3,138.25	2,626.35	5,856.10
(IV)	**Total Expenses**	**36,069.55**	**70,199.16**	**79,464.76**	**1,55,776.72**
(V)	**Profit before tax (III-IV)**	**19,710.63**	**36,491.84**	**21,304.50**	**50,998.33**
(VI)	**Exceptional Item**	**-**	-	**-**	**-**
(VII)	**Profit before tax (V-VI)**	**19,710.63**	**36,491.84**	**21,304.50**	**50,998.33**
3	**Tax Expense:**				
(i)	Current Tax	4,514.18	8,455.00	6,250.00	14,193.27
(ii)	Deferred Tax	(147.54)	(358.75)	(1,670.45)	(3,314.15)
(iii)	Tax of earlier years	**-**	(6.80)	**-**	9.68
(VIII)	**Total Tax Expense**	**4,366.64**	**8,089.45**	**4,579.55**	**10,888.80**
(IX)	**Profit for the period/year (VII-VIII)**	**15,343.99**	**28,402.39**	**16,724.95**	**40,109.53**
(X)	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit liabilities/(assets)	(2.32)	(32.79)	48.84	155.76
	(b) Others	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.58	8.25	(12.29)	(39.20)
	Subtotal (A)	**(1.74)**	**(24.54)**	**36.55**	**116.56**
	B (i) Items that will be reclassified to profit or loss				
	(a) Cash Flow Hedge (net)	(596.53)	262.06	(836.51)	(477.51)
	(b) Fair value of loans carried at FVTOCI	48.56	47.80	**-**	(76.45)
	(ii) Income tax relating to items that will be reclassified to profit or loss	137.91	(77.98)	210.53	139.42
	Subtotal (B)	**(410.06)**	**231.88**	**(625.98)**	**(414.54)**
	Other Comprehensive Income (A+B)	**(411.80)**	**207.34**	**(589.43)**	**(297.98)**
(XI)	**Total Comprehensive Income for the period**	**14,932.19**	**28,609.73**	**16,135.52**	**39,811.55**
(XII)	**Earnings per equity share of face value Rs. 10 each (not annualised)**				
	Basic (Rs.)	**73.18**	**135.45**	**79.76**	**191.29**
	Diluted (Rs.)	**73.18**	**135.45**	**79.76**	**191.29**

Notes:

Amount in lakhs

1. Statement of Assets and Liabilities:

Sr. No.	Particulars	As at 30.09.2021 Unaudited	As at 31.03.2021 Audited
	ASSETS		
(1)	**Financial Assets**		
(a)	Cash and cash equivalents	9,454.88	41,232.76
(b)	Bank Balance other than (a) above	38,081.99	44,374.03
(c)	Receivables		
	(i) Trade Receivables	2,309.15	3,063.52
(d)	Loans	15,00,350.96	14,56,492.27
(e)	Investments	21,579.87	16,721.98
(f)	Other Financial assets	28,885.37	23,397.23
(2)	**Non-financial Assets**		
(a)	Current tax assets (Net)	836.57	1,435.74
(b)	Deferred tax Assets (Net)	7,211.72	7,017.13
(c)	Investment Property	681.75	700.46
(d)	Property, Plant and Equipment	325.48	248.36
(e)	Right of use assets	1,359.63	1,357.59
(f)	Other Intangible assets	23.23	12.60
(g)	Other non-financial assets	840.44	332.76
(h)	Assets held for sale	1,056.82	1,394.63
	Total Assets	**16,12,997.86**	**15,97,781.06**
	LIABILITIES AND EQUITY		
(1)	**Financial Liabilities**		
(a)	Derivative financial instruments	2,283.56	2,920.83
(b)	Trade Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,492.55	3,515.85
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c)	Finance Lease Obligation	1,523.38	1,490.30
(d)	Debt Securities	1,45,736.79	2,10,274.98
(e)	Borrowings (Other than Debt Securities)	10,56,043.64	10,47,082.16
(f)	Subordinated Liabilities	1,04,615.02	43,667.31
(g)	Other financial Liabilities	44,934.20	58,538.87
(2)	**Non-financial liabilities**		
(a)	Current tax liabilities (Net)	3,994.90	3,125.92
(b)	Provisions	1,059.49	1,257.81
(c)	Other non-financial liabilities	5,133.67	11,336.10
(3)	**Equity**		
(a)	Equity Share Capital	2,096.82	2,096.82
(b)	Other Equity	2,41,083.84	2,12,474.11
	Total Liabilities and Equity	**16,12,997.86**	**15,97,781.06**

Amount in lakhs

2. Statement of Cash Flow for the half year ended September 30, 2021

Particulars	As at 30.09.2021 Unaudited
Cash Flows from Operating Activities	
Profit before tax	**36,491.84**
Adjustments for:	
Depreciation, amortization and impairment	305.94
Impairment on financial instruments - loans	4,923.81
Interest expense	52,065.45
Interest on Loans	(93,045.79)
Net gain on derecognition of financial instruments	(4,876.76)
Net (gain)/loss on fair value changes	(144.66)
Net (gain)/loss on Sale of assets	2.89
Interest paid	(65,423.81)
(Gain)/Loss on Modification	(83.48)
Interest received	92,143.04
Operating Profit before Working Capital changes	**22,358.47**
Changes in Working Capital:	
Adjustments for (increase)/decrease in Other Financial assets	(1,340.02)
Adjustments for (increase)/decrease in Trade Receivables	754.37
Adjustments for (increase)/decrease in Other Non Financial assets	(610.09)
Adjustments for (increase)/decrease in Assets held for sale	337.82
Adjustments for (increase)/decrease in Balances with banks - Lien marked	(288.22)
Adjustments for increase/(decrease) in Trade Payables	976.70
Adjustments for increase/(decrease) in Other financial liabilities	(13,604.68)
Adjustments for increase/(decrease) in Other non-financial liabilities	(6,202.44)
Adjustments for increase/(decrease) in Provisions	(172.03)
Operating Profit after Working Capital changes	**2,209.88**
Direct Taxes Paid	**(6,885.62)**
Cash used in Operations	**(4,675.74)**
Loans (disbursed) / repaid (net)	(47,178.32)
Net cash generated from/(used in) Operating Activities (A)	**(51,854.06)**
Cash flow from Investing Activities	
Purchase of fixed assets	(200.73)
Sale of fixed assets	14.83
Fixed deposits placed	(80,378.08)
Fixed deposits matured	87,114.87
Purchase of investments	(10,91,600.00)
Proceeds from sale of investments	10,86,886.76
Net Cash used in Investing Activities (B)	**1,837.65**
Cash flow from Financing Activities	
Proceeds from Borrowings	1,83,629.70
Repayment of Borrowings	(1,77,230.91)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities	91,306.59
Repayment of Debt & Sub-Ordinated Debt Securities	(79,252.32)
Payment of lease liabilities	(214.53)
Net Cash from/(used in) Financing Activities (C)	**18,238.53**
Net increase in cash and cash equivalents (A+B+C)	**(31,777.88)**
Cash and cash equivalents as at the beginning of the year	41,232.76
Cash and cash equivalents as at the end of the year/period	**9,454.88**

3 The above un-audited financial results for the quarter and half year ended September 30, 2021, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its Meeting held on October 21, 2021. The Statutory Auditors have carried out the Limited review of the aforesaid results and have issued an unmodified report.

The amounts for the quarter ended September 30, 2021 are the balancing figures between unaudited reviewed amounts in respect of the half year ended September 30, 2021 and the unaudited management amounts of the first quarter i.e., quarter ended June 30, 2021 for the current financial year.

4 These unaudited financial results have been prepared in accordance with the recognition and measurement principals laid down in Indian Accounting Standards 34 – Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5 The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

6 During the quarter ended September 30, 2021, the Company raised 65,582.31 lakhs via public issue of Unsecured, Redeemable Non Convertible Debentures.

7 During the quarter ended September 30, 2021, a subsidiary has been incorporated on September 28, 2021 named IIHFL Sales Limited. company has not prepared consolidated financials since there is no capital infusion by the company, there are no transactions in subsidiary company and is yet to commence the business.

8 The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which the COVID-19 pandemic will continue to impact the Company's results will depend on ongoing as well as future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

9 **Disclosure made vide Notification "RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21" dated August 06, 2020 on Resolution Framework for COVID-19-related Stress (Resolution Framework 1.0).**

Rs in lakhs

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	1064	12,597.84	-	23.92	-
Corporate persons	3	1,723.21	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	229	3,564.50	-	31.70	-
Total	**1,296**	**17,885.54**	**-**	**55.61**	**-**

**The Company has made adequate provision for impairment loss allowances (as per ECL Model)

Rs in lakhs

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan at March 31,2021	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan at September 30, 2021
Personal Loans	13,022.44	1,067.75	7.05	317.55	12,002.68
Corporate persons*	1,632.12	-	-	235.92	1,596.20
Of which MSMEs	-	-	-		-
Others	3,830.51	114.60	-	518.45	3,376.22
Total	**18,485.07**	**1,182.35**	**7.05**	**1,071.93**	**16,975.10**

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below:

Rs in Lakhs

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process	2621	573	311
(B)	Number of accounts where resolution plan has been implemented under this window	1347	415	215
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	15,665.48	4,452.08	6,574.22
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	3.91	16.1	
(F)	Increase in provisions on account of the implementation of the resolution plan *	-	-	-

*The Company has made adequate provision for impairment loss allowances (as per ECL Model)

10	The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial results in the period in which the code becomes effective and and related rules are published.
11	In accordance with SEBI Circular dated October 5, 2021, Since the entity does not have corresponding quarterly financial results, the columns for corresponding figures for the quarter ended June 30, 2021, September 30, 2020 and Cash flow statement for September 30, 2020 is not presented.
12	Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listng Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure I.
13	Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all Secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2021 are fully secured by first pari passu charge created on the receivables of the Company, both present and future, book debts, loans and advances and current assets of the Company and specified immovable property. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum.
14	Previous year's/periods figures have been regrouped / reclassified wherever necessary to conform to current period's presentation.

By order of the Board
For IIFL Home Finance Limited

Date: 21-Oct-21

Place: Gurugram

Monu Ratra
Executive Director & CEO
DIN: 07406284

Annexure I

Sr no.	Ratio	For the half year/ As at 30.09.2021
a	Ommited	Ommited
b	Ommited	Ommited
c	Debt-equity ratio	5.37
d	Ommited	Ommited
e	Ommited	Ommited
f	Debt service coverage ratio	Not Applicable
g	Interest service coverage ratio	Not Applicable
h	Outstanding redeemable preference shares (quantity and value)	Not Applicable
i	Capital redemption reserve/Debenture redemption reserve	Not Applicable
j	Net worth	2,43,180.66
k	Net profit after tax	28,402.39
l	Earnings per share	
	a. Basic	135.45
	b. Diluted	135.45
m	Current ratio	Not Applicable
n	Long term debt to working capital	Not Applicable
o	Bad debts to Account receivable ratio	0.23%
p	Current liability ratio	Not Applicable
q	Total debts to total assets	80.99%
r	Debtors turnover	Not Applicable
s	Inventory turnover	Not Applicable
t	Operating margin (%)	Not Applicable
u	Net profit margin (%)	26.62%
v	Sector specific equivalent ratios, as applicable.	
	a. Stage 3 Ratio	2.34%
	b. Provision Coverage ratio	40.48%

Formulae for Computation of ratios are as follows:

(c) Debt equity ratio is (Debt Securities + Borrowings (Other than Debt Securities) + Subordinated liabilities) / Networth

(j) Networth is equal to Equity Share Capital + Other Equity

(o) Bad debts to Account receivable ratio is equal to Bad Debts Written off / Total Loan Book + Trade Receivables

(q) Total debts to total assets (%) = (Debt Securities + Borrowings (Other than Debt Securities) + Subordinated liabilities) / Total Assets

(u) Net profit margin (%) = Profit before tax/ Total Income

(v) (a) Stage 3 Ratio = Gross Stage III Loan Book / Total Loan Book

(v) (b) Provision Coverage ratio = Allowance for bad and doubtful debts for Gross Stage III Loan Book / Gross Stage III Loan Book

STATEMENT OF TAX BENEFITS

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

Sub: Proposed public offering of secured, redeemable, non-convertible debentures ("NCDs") by IIFL Home Finance Limited ("Company") amounting to ₹ 10,000 million (hereinafter referred to as the "Tranche II Issue") which is within a shelf limit of up to ₹ 50,000 million ("Issue").

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

The accompanying note prepared by the Company, discusses the special tax provisions applicable to the Potential Debenture holders ("**Investors**") subscribing in the NCDs of IIFL Home Finance Limited (the "**Company**") in Annexure I (hereinafter referred to as "**Statement of Tax Benefits/Statement**"), under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as the "**IT Act**") in connection with the Issue.

Management's Responsibility

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

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

Auditor's Responsibility

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

We conducted our examination of the information given in the Statement in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes'* issued by the Institute of Chartered Accountants of India ("**ICAI**"), as revised from time to time; the aforesaid Guidance Note requires that we comply with the ethical requirements of the '*Code of Ethics'* issued by the ICAI, as revised from time to time.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, '*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*', as revised from time to time.

Inherent Limitations

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

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

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

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

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

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

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

Restriction on Use

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

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 21102306AAAAHC1654
Certificate No: 11181

Place: Mumbai
Date: December 1, 2021

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 21145160AAAACL4367

Place: Mumbai
Date: December 1, 2021

Annexure I

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, 2021 (FA 2021).

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

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(29AA) 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 Notes) with indexation.

   Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess– Refer Notes) 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 debentures arising to the debenture 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 normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

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

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

5. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

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

7. Interest on application money and interest on refund of 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. Further, tax at the rate of 10% would be required to be withheld at the time of credit or payment, whichever is earlier, as per the provisions of Section 194A of the I.T. Act.

8. In case of every Individual (less than 60 years of age) or HUF, being a resident in India, rate of income tax is nil (where total income does not exceed Rs.250,000), 5% of amount by which total income exceeds Rs. 250,000 (where total income is more than Rs. 250,000 but does not exceed Rs. 500,000), 20% of the amount by which the total income exceeds Rs.500,000 (where total income exceeds Rs. 500,000 but does not exceed Rs. 1,000,000) and 30% of the amount by which the total income exceeds Rs. 1,000,000. The said income tax shall be increased by Surcharge, if any, and Health and Education Cess @4% on the aggregate of income tax and surcharge.

9. In case of every Individual, being a resident in India, who is of the age 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.300,000), 5% of amount by which total income exceeds Rs. 300,000 (where total income is more than Rs. 300,000 but does not exceed Rs. 500,000), 20% of the amount by which the total income exceeds Rs.500,000 (where total income exceeds Rs. 500,000 but does not exceed Rs. 1,000,000) and 30% of the amount by which the total income exceeds Rs. 1,000,000. The said income tax shall be increased by Surcharge, if any, and Health and Education Cess @4% on the aggregate of income tax and surcharge.

10. 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.500,000), 20% of the amount by which the total income exceeds Rs.500,000 (where total income exceeds Rs. 500,000 but does not exceed Rs. 1,000,000) and 30% of the amount by which the total income exceeds Rs. 1,000,000 The said income tax shall be increased by Surcharge, if any, and Health and Education Cess @4% on the aggregate of income tax and surcharge.

11. 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 and subject to the fulfilment of conditions of the said section, 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 125,000
More than Rs 1,500,000	30 per cent of excess over Rs 1,500,000 + Rs 187,500

The above income tax shall be increased by Surcharge, if any, and Health and Education Cess @4% on the aggregate of income tax and surcharge.

12. In the case of Resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 5,000,000 and does not exceed Rs. 10,000,000), 15% of such tax liability (if net income exceeds Rs. 10,000,000 and does not exceed Rs. 20,000,000), 25% of such tax liability (if net income exceeds Rs. 20,000,000 and does not exceed Rs. 50,000,000) and 37% of such tax liability (if net income exceeds Rs. 50,000,000).

13. In the case of every domestic Indian company where total turnover or gross receipts does not exceed Rs. 400 crore in FY 2019-20, 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%. The tax rate is subject to MAT provisions and MAT rate is 15% of the book profit as calculated as per provisions of section 115JB of the I.T. Act. 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.

14. 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. But once the option is exercised, then the same cannot be subsequently withdrawn.

    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.

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

1. In case of non-residents, under the I.T. Act, the interest income will be chargeable to tax at applicable tax rates / 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.

2. Long-term capital gains in case of listed debentures will be chargeable under Section 112 of the IT Act at a rate of 10 per cent (plus applicable surcharge and health and education cess) without indexation. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   In calculation of capital gains, benefit of foreign exchange fluctuation shall be available as per first proviso to section 48 of the I.T. Act read with Rule 115A of the Income-tax Rules, 1962.

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

3. 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. As per section 115E of the I.T. Act, in case of a non-resident Indian, 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.

   c. 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.

   d. 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.

   e. 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.

f. 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.

4. Under Section 195 of the I.T. Act, tax shall be required to be withheld at the time of payment or credit, whichever is earlier, at the applicable rates on income of the non-resident.

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

a. In the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000).

b. In the case of Foreign companies, surcharge is applicable at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000. Surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.

c. Cess is to be applied at 4% on aggregate of base tax and surcharge.

6. 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 assesse along with TRC.

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

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

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

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of

debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

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

4. The income tax deducted shall be increased by applicable surcharge and health and education cess.

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 FIIs.

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

IV. Tax benefits available to Mutual Funds

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

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

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

VI. General Anti-Avoidance Rule ('GAAR)

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

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

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

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

deducted at the higher of the following rates:

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

3. 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. 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).

5. 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.

6. Section 206AA read with Rule 114AAA requires every person to link its PAN Card with Aadhar No. In case, the person fails to link the same, then his PAN No. will be treated as in-operative and higher TDS as per Para (2) above will be deducted on the payments.

7. Finance Act, 2021 has introduced a new section for higher withholding tax rate for non-filers of return of income. As per section 206AB of the IT Act, inserted by the FA 2021, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:

   - twice the rate specified in the relevant provision of the Act; or
   - twice the rate or rates in force; or
   - the rate of 5%

   For the purpose of this section, specified person means any person who has not filed an income-tax return for two preceding AYs relevant to the previous years immediately prior to the previous year in which the tax is required to be deducted and the prescribed time limit to file the income-tax return has expired and the aggregate amount of TDS exceeds INR 50,000 or more in each of these previous years.

   However, the provisions of this section will not apply on a non-resident who does not have permanent establishment in India.

VIII. Taxability of Gifts received for nil or inadequate consideration

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

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

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

NOTES:

- Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person as per para I (12) and para II (5) 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(13) or I(14) above.
- Surcharge is levied on every company other than domestic company as per para II(5) above.
- Health and Education Cess is to be applied at the rate of 4% on aggregate of base tax and surcharge.
- The above statement covers only certain relevant benefits under the Income Tax Act, 1961 and does not cover benefits under any other law
- This statement is intended only to provide general information to the Debenture Holders and is neither designed nor

intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

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

For IIFL Home Finance Limited

Amit Gupta
Chief Financial Officer

Place: Gurugram
Date: December 01, 2021

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Tranche II Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in the Tranche II Prospectus is true and correct in all material aspects and is not misleading in, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

Our Board of Directors in its meeting held on June 6, 2020, approved raising of funds through issuance of debentures by way of a public issue for an overall limit aggregating to ₹ 50,000 million. Pursuant to such resolution, the present issue through the Shelf Prospectus of Secured NCDs of face value of ₹1,000 each and/or Unsecured NCDs ₹1,000, aggregating up to ₹ 50,000 million ("**Shelf Limit**"), hereinafter called the "Issue" is approved by the Finance Committee of our Board of Directors in its meeting dated June 17, 2021.

Authority for the Tranche II Issue

At the meeting of the Finance Committee held on December 3, 2021, the committee approved this Tranche II Prospectus.

Further, the present borrowing is within the borrowing limits of ₹ 190,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated November 12, 2018.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Categorisation as a Wilful Defaulter

Our Company and/or our Directors and/or our Promoters have not been categorised as a wilful defaulter by the RBI, NHB, 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. None of our Promoters or our whole time directors is a promoter or a whole time director of any other company which is a wilful defaulter.

Declaration as a Fugitive Economic Offender

None of our Promoters or Directors have been declared as a Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Tranche II Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

None of our Directors or our Promoters was a promoter or a director of any other company which was debarred from accessing the securities market or dealing in securities by SEBI.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Tranche II Prospectus.

Further, no regulatory action before SEBI or RBI is currently pending against the Company, its Promoters, and the Directors.

The Company, as on date of this Tranche II Prospectus, has not defaulted in the last three financial years and the current financial year in:

1. the repayment of deposits or interest payable thereon; or
2. redemption of preference shares; or
3. redemption of debt securities and interest payable thereon; or
4. payment of dividend to any shareholder; or
5. repayment of any term loan or interest payable thereon.

Disclaimer statement from our Company, our Directors and the Lead Managers

Our Company, our Directors and the Lead Managers accepts no responsibility for statements made other than in this Tranche II Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the Secured NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Managers or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Secured NCDs and will not issue, sell, pledge, or transfer the Secured NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Secured NCDs. Our Company, the Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Secured NCDs being offered in the Issue.

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 TRANCHE II PROSPECTUS. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 3, 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 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 PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 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 17, 2021 FILED WITH THE BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED. THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

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/D/2021/0061 DATED JUNE 24, 2021 AND AN EXTENSION OF VALIDITY FOR THREE MONTHS VIDE LETTER DATED NOVEMBER 25, 2021 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'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 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 THIS 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 BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED JUNE 24, 2021, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE 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 PROMOTER, 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 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 the NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 14, 2018, ISSUED BY THE NATIONAL HOUSING BANK UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY NHB IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY NHB TO THIS TRANCHE II PROSPECTUS NOR SHOULD IT BE DEEMED THAT NHB HAS APPROVED IT.

HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Statement of CRISIL Limited

THIS DISCLAIMER FORMS PART OF AND APPLIES TO EACH CREDIT RATING REPORT AND/OR CREDIT RATING RATIONALE (EACH A "REPORT") THAT IS PROVIDED BY CRISIL RATINGS LIMITED (HEREINAFTER REFERRED TO AS "CRISIL RATINGS") . FOR THE AVOIDANCE OF DOUBT, THE TERM "REPORT" INCLUDES THE INFORMATION, RATINGS AND OTHER CONTENT FORMING PART OF THE REPORT. THE REPORT IS INTENDED FOR THE JURISDICTION OF INDIA ONLY. THIS REPORT DOES NOT CONSTITUTE AN OFFER OF SERVICES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE REPORT IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY LICENSES AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES REFERRED TO ABOVE. ACCESS OR USE OF THIS REPORT DOES NOT CREATE A CLIENT RELATIONSHIP BETWEEN CRISIL RATINGS AND THE USER.

WE ARE NOT AWARE THAT ANY USER INTENDS TO RELY ON THE REPORT OR OF THE MANNER IN WHICH A USER INTENDS TO USE THE REPORT. IN PREPARING OUR REPORT WE HAVE NOT TAKEN INTO CONSIDERATION THE OBJECTIVES OR PARTICULAR NEEDS OF ANY PARTICULAR USER. IT IS MADE ABUNDANTLY CLEAR THAT THE REPORT IS NOT INTENDED TO AND DOES NOT CONSTITUTE AN INVESTMENT ADVICE. THE REPORT IS NOT AN OFFER TO SELL OR AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY INVESTMENT IN ANY SECURITIES, INSTRUMENTS, FACILITIES OR SOLICITATION OF ANY KIND OR OTHERWISE ENTER INTO ANY DEAL OR TRANSACTION WITH THE ENTITY TO WHICH THE REPORT PERTAINS. THE REPORT SHOULD NOT BE THE SOLE OR PRIMARY BASIS FOR ANY INVESTMENT DECISION WITHIN THE MEANING OF ANY LAW OR REGULATION (INCLUDING THE LAWS AND REGULATIONS APPLICABLE IN THE US).

RATINGS FROM CRISIL RATINGS ARE STATEMENTS OF OPINION AS OF THE DATE THEY ARE EXPRESSED AND NOT STATEMENTS OF FACT OR RECOMMENDATIONS TO PURCHASE, HOLD, OR SELL ANY SECURITIES / INSTRUMENTS OR TO MAKE ANY INVESTMENT DECISIONS. ANY OPINIONS EXPRESSED HERE ARE IN GOOD FAITH, ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND ARE ONLY CURRENT AS OF THE STATED DATE OF THEIR ISSUE. CRISIL RATINGS ASSUMES NO OBLIGATION TO UPDATE ITS OPINIONS FOLLOWING PUBLICATION IN ANY FORM OR FORMAT

ALTHOUGH CRISIL RATINGS MAY DISSEMINATE ITS OPINIONS AND ANALYSIS. RATING BY CRISIL RATINGS CONTAINED IN THE REPORT IS NOT A SUBSTITUTE FOR THE SKILL, JUDGMENT AND EXPERIENCE OF THE USER, ITS MANAGEMENT, EMPLOYEES, ADVISORS AND/OR CLIENTS WHEN MAKING INVESTMENT OR OTHER BUSINESS DECISIONS. THE RECIPIENTS OF THE REPORT SHOULD RELY ON THEIR OWN JUDGMENT AND TAKE THEIR OWN PROFESSIONAL ADVICE BEFORE ACTING ON THE REPORT IN ANY WAY. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

NEITHER CRISIL RATINGS NOR ITS AFFILIATES, THIRD PARTY PROVIDERS, AS WELL AS THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY, "CRISIL RATINGS PARTIES") GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE REPORT, AND NO CRISIL RATINGS PARTY SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN, REGARDLESS OF THE CAUSE, OR FOR THE RESULTS OBTAINED FROM THE USE OF ANY PART OF THE REPORT. EACH CRISIL RATINGS' PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL ANY CRISIL RATINGS PARTY BE LIABLE TO ANY PARTY FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING, WITHOUT LIMITATION, LOST INCOME OR LOST PROFITS AND OPPORTUNITY COSTS) IN CONNECTION WITH ANY USE OF ANY PART OF THE REPORT EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

CRISIL RATINGS MAY RECEIVE COMPENSATION FOR ITS RATINGS AND CERTAIN CREDIT-RELATED ANALYSES, NORMALLY FROM ISSUERS OR UNDERWRITERS OF THE INSTRUMENTS, FACILITIES, SECURITIES OR FROM OBLIGORS. CRISIL RATING'S PUBLIC RATINGS AND ANALYSIS AS ARE REQUIRED TO BE DISCLOSED UNDER THE REGULATIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (AND OTHER APPLICABLE REGULATIONS, IF ANY) ARE MADE AVAILABLE ON ITS WEB SITES, WWW.CRISIL.COM (FREE OF CHARGE). REPORTS WITH MORE DETAIL AND ADDITIONAL INFORMATION MAY BE AVAILABLE FOR SUBSCRIPTION AT A FEE - MORE DETAILS ABOUT RATINGS BY CRISIL RATINGS ARE AVAILABLE HERE: WWW.CRISILRATINGS.COM.

CRISIL RATINGS AND ITS AFFILIATES DO NOT ACT AS A FIDUCIARY. WHILE CRISIL RATINGS HAS OBTAINED INFORMATION FROM SOURCES IT BELIEVES TO BE RELIABLE, CRISIL RATINGS DOES NOT PERFORM AN AUDIT AND UNDERTAKES NO DUTY OF DUE DILIGENCE OR INDEPENDENT VERIFICATION OF ANY INFORMATION IT RECEIVES AND / OR RELIES IN ITS REPORTS. CRISIL RATINGS HAS ESTABLISHED POLICIES AND PROCEDURES TO MAINTAIN THE CONFIDENTIALITY OF CERTAIN NON-PUBLIC INFORMATION RECEIVED IN CONNECTION WITH EACH ANALYTICAL PROCESS. CRISIL RATINGS HAS IN PLACE A RATINGS CODE OF CONDUCT AND POLICIES FOR ANALYTICAL FIREWALLS AND FOR MANAGING CONFLICT OF INTEREST. FOR DETAILS PLEASE REFER TO: HTTP://WWW.CRISIL.COM/RATINGS/HIGHLIGHTEDPOLICY.HTML

RATING CRITERIA BY CRISIL RATINGS ARE GENERALLY AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE CRISIL RATINGS PUBLIC WEB SITE, WWW.CRISIL.COM. FOR LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS YOU MAY CONTACT CRISIL RATING DESK AT CRISILRATINGDESK@CRISIL.COM, OR AT (0091) 1800 267 1301.

THIS REPORT SHOULD NOT BE REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON OR IN ANY FORM WITHOUT A PRIOR WRITTEN CONSENT OF CRISIL RATINGS.

Disclaimer Statement of Brickwork Ratings Private Limited

BRICKWORK RATINGS INDIA PVT. LTD. (BWR), A SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) REGISTERED CREDIT RATING AGENCY AND ACCREDITED BY THE RESERVE BANK OF INDIA (RBI), OFFERS CREDIT RATINGS OF BANK LOAN FACILITIES, NON- CONVERTIBLE / CONVERTIBLE / PARTIALLY CONVERTIBLE DEBENTURES AND OTHER CAPITAL MARKET INSTRUMENTS AND BONDS, COMMERCIAL PAPER, PERPETUAL BONDS, ASSET-BACKED AND MORTGAGE-BACKED SECURITIES, PARTIAL GUARANTEES AND OTHER STRUCTURED / CREDIT ENHANCED DEBT INSTRUMENTS, SECURITY RECEIPTS, SECURITIZATION PRODUCTS, MUNICIPAL BONDS, ETC.

(HEREAFTER REFERRED TO AS "INSTRUMENTS"). BWR ALSO RATES NGOS, EDUCATIONAL

INSTITUTIONS, HOSPITALS, REAL ESTATE DEVELOPERS, URBAN LOCAL BODIES AND MUNICIPAL CORPORATIONS.

BWR WISHES TO INFORM ALL PERSONS WHO MAY COME ACROSS RATING RATIONALES AND RATING REPORTS PROVIDED BY BWR THAT THE RATINGS ASSIGNED BY BWR ARE BASED ON INFORMATION OBTAINED FROM THE ISSUER OF THE INSTRUMENT AND OTHER RELIABLE SOURCES, WHICH IN BWR'S BEST JUDGEMENT ARE CONSIDERED RELIABLE.

THE RATING RATIONALE / RATING REPORT & OTHER RATING COMMUNICATIONS ARE INTENDED FOR THE JURISDICTION OF INDIA ONLY. THE REPORTS SHOULD NOT BE THE SOLE OR PRIMARY BASIS FOR ANY INVESTMENT DECISION WITHIN THE MEANING OF ANY LAW OR REGULATION (INCLUDING THE LAWS AND REGULATIONS APPLICABLE IN EUROPE AND ALSO THE USA).

BWR ALSO WISHES TO INFORM THAT ACCESS OR USE OF THE SAID DOCUMENTS DOES NOT CREATE A CLIENT RELATIONSHIP BETWEEN THE USER AND BWR.

THE RATINGS ASSIGNED BY BWR ARE ONLY AN EXPRESSION OF BWR'S OPINION ON THE ENTITY / INSTRUMENT AND SHOULD NOT IN ANY MANNER BE CONSTRUED AS BEING A RECOMMENDATION TO EITHER, PURCHASE, HOLD OR SELL THE INSTRUMENT.

BWR ALSO WISHES TO ABUNDANTLY CLARIFY THAT THESE RATINGS ARE NOT TO BE CONSIDERED AS AN INVESTMENT ADVICE IN ANY JURISDICTION NOR ARE THEY TO BE USED AS A BASIS FOR OR AS AN ALTERNATIVE TO INDEPENDENT FINANCIAL ADVICE AND JUDGEMENT OBTAINED FROM THE USER'S FINANCIAL ADVISORS. BWR SHALL NOT BE LIABLE TO ANY LOSSES INCURRED BY THE USERS OF THESE RATING RATIONALES, RATING REPORTS OR ITS CONTENTS. BWR RESERVES THE RIGHT TO VARY, MODIFY, SUSPEND OR WITHDRAW THE RATINGS AT ANY TIME WITHOUT ASSIGNING REASONS FOR THE SAME.

BWR'S RATINGS REFLECT BWR'S OPINION ON THE DAY THE RATINGS ARE PUBLISHED AND ARE NOT REFLECTIVE OF FACTUAL CIRCUMSTANCES THAT MAY HAVE ARISEN ON A LATER DATE. BWR IS NOT OBLIGED TO UPDATE ITS OPINION BASED ON ANY PUBLIC NOTIFICATION, IN ANY FORM OR FORMAT ALTHOUGH BWR MAY DISSEMINATE ITS OPINION AND ANALYSIS WHEN DEEMED FIT.

NEITHER BWR NOR ITS AFFILIATES, THIRD PARTY PROVIDERS, AS WELL AS THE DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY, "BWR PARTY") GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE RATINGS, AND NO BWR PARTY SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN, REGARDLESS OF THE CAUSE, OR FOR THE RESULTS OBTAINED FROM THE USE OF ANY PART OF THE RATING RATIONALES OR RATING REPORTS. EACH BWR PARTY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL ANY BWR PARTY BE LIABLE TO ANY ONE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING, WITHOUT LIMITATION, LOST INCOME OR LOST PROFITS AND OPPORTUNITY COSTS) IN CONNECTION WITH ANY USE OF ANY PART OF THE RATING RATIONALES AND/OR RATING REPORTS EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HOWEVER, BWR OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY. BWR AND ITS AFFILIATES DO NOT ACT AS A FIDUCIARY.

BWR KEEPS CERTAIN ACTIVITIES OF ITS BUSINESS UNITS SEPARATE FROM EACH OTHER IN ORDER TO PRESERVE THE INDEPENDENCE AND OBJECTIVITY OF THE RESPECTIVE ACTIVITY. AS A RESULT, CERTAIN BUSINESS UNITS OF BWR MAY HAVE INFORMATION THAT IS NOT AVAILABLE TO OTHER BWR BUSINESS UNITS. BWR HAS ESTABLISHED POLICIES AND PROCEDURES TO MAINTAIN THE CONFIDENTIALITY OF CERTAIN NON-PUBLIC INFORMATION RECEIVED IN CONNECTION WITH EACH ANALYTICAL PROCESS.

BWR CLARIFIES THAT IT MAY HAVE BEEN PAID A FEE BY THE ISSUERS OR UNDERWRITERS OF THE INSTRUMENTS, FACILITIES, SECURITIES ETC., OR FROM OBLIGORS. BWR'S PUBLIC RATINGS AND ANALYSIS ARE MADE AVAILABLE ON ITS WEB SITE, WWW.BRICKWORKRATINGS.COM. MORE DETAILED INFORMATION MAY BE PROVIDED FOR A FEE. BWR'S RATING CRITERIA ARE ALSO

GENERALLY MADE AVAILABLE WITHOUT CHARGE ON BWR'S WEBSITE.

THIS DISCLAIMER FORMS AN INTEGRAL PART OF THE RATINGS RATIONALES / RATING REPORTS OR OTHER PRESS RELEASES, ADVISORIES, COMMUNICATIONS ISSUED BY BWR AND CIRCULATION OF THE RATINGS WITHOUT THIS DISCLAIMER IS PROHIBITED.

BWR IS BOUND BY THE CODE OF CONDUCT FOR CREDIT RATING AGENCIES ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA AND IS GOVERNED BY THE APPLICABLE REGULATIONS ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA AS AMENDED FROM TIME TO TIME.

Disclaimer statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS TRANCHE II PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE SECURED NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK

Disclaimer statement from the Lead Managers

THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS TRANCHE II PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE SECURED NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer in Respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE SECURED NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Undertaking by the Issuer

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE SECURED NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 34 OF THE TRANCHE II PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS 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 MAKE THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S)

DISCLOSED IN THIS TRANCHE II PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES.

OUR COMPANY DECLARES THAT NOTHING IN THIS TRANCHE II PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
IIFL Securities Limited	www.iiflcap.com
ICICI Securities Limited	www.icicisecurities.com
Trust Investment Advisors Private Limited	www.trustgroup.in
Equirus Capital Private Limited	www.equirus.com

Listing

The Secured NCDs offered through this Tranche II Prospectus are proposed to be listed on both the NSE and BSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE *vide* its letter no. DCS/BM/PI-BOND/006/21-22 dated June 24, 2021 and NSE *vide* its letter no. NSE/LIST/D/2021/0061 dated June 24, 2021 and an extension of validity for three months vide letter dated November 25, 2021. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our Secured NCDs are not granted by Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche II Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 6 Working Days from the date of closure of the issue.

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 - October 2021) have been obtained and the same will be filed along with a copy of the Shelf Prospectus and the Tranche II 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 II Prospectus to the ROC.

Our Company has received written consents from the Joint Statutory Auditors namely, M/s. M.P. Chitale, Chartered Accountants and Suresh Surana & Associates LLP both dated December 1, 2021 to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI NCS 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 dated November 29, 2021 on our Reformatted Financial Statements; (ii) Limited Review Report dated October 21, 2021 on Unaudited Financial Results; and (iii) the statement of tax benefits and such consent has not been withdrawn as on the date of this Tranche II Prospectus.

Expert Opinion

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

Our Company has received written consents from the Joint Statutory Auditors namely, M/s. M.P. Chitale, Chartered Accountants and Suresh Surana & Associates LLP both dated December 1, 2021 to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI NCS 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 dated November 29, 2021 on our Reformatted Financial Statements; (ii) Limited Review Report dated October 21, 2021 on Unaudited Financial Results; and (iii) the statement of tax benefits and such consent has not been withdrawn as on the date of this Tranche II Prospectus.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the Secured 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.

Filing of the Draft Shelf Prospectus

A copy of the Draft Self Prospectus was filed with the Stock Exchanges for dissemination on their respective websites.

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

The Shelf Prospectus was filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Filing of the Tranche II Prospectus

The Tranche II Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 and will be filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI NCS Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, listed NBFC/to be listed NBFCs is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the Secured NCDs proposed to be issued through this Issue. Further, our Company shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Tranche II Issue Related Expenses

For estimated breakdown of the total expenses for Tranche II Issue, see "***Objects of the Tranche II Issue***" on the page 29.

Identification as wilful defaulter

Our Company (as defined under the Companies Act, 2013) or any of its directors or promoters have not been identified as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other governmental authority.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies which are associate companies as described under the

Companies Act, 2013, which made any capital issue during the last three years

Except as disclosed below, there are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Tranche II Prospectus .

Public issue of Equity Shares in the last three years

Our Company has not undertaken any equity public issue prior to the date of this Tranche II Prospectus. :

Rights Issue

Except as stated below our Company has not undertaken any rights issue of equity shares in the last 3 (three) years.

Nil

Public Issue / Rights issue (to the public) by our group companies in the last 3 (three) years from the Tranche II Prospectus*:*

Our group companies have undertaken the following public issues of debentures in the last 3 (three) years from the date of this Tranche II Prospectus:

1) IIFL Finance Limited

Name of Company	**IIFL Finance Limited**	
Date of Opening	March 3, 2021	March 3, 2021
Date of Closing	March 18, 2021	March 18, 2021
Total Allotment Size	₹ 6,708.60 Million	₹ 6,708.60 Million
Date of Allotment	March 24, 2021	March 24, 2021
Date of Refunds	-	-
Date of Listing	March 24, 2021 (BSE & NSE)	March 24, 2021 (BSE & NSE)
Utilisation of Proceeds	For the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment/prepayment of principal of borrowings) and General Corporate Purpose	For the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment/prepayment of principal of borrowings) and General Corporate Purpose

2) 5 Paisa Capital Limited

Date of allotment	**No. of Equity Shares**	**Issue price (₹)**	**Consideration in cash (₹)**	**Cumulative**			**Details of Utilisation**
				No. of Equity Shares	**Equity Share capital (₹)**	**Share premium account (₹)**	
August 20, 2019	12,738,646	80	1,019,091,680	25,477,668	254,776,680	1,694,212,710	The funds raised through Rights Issue have been utilized for the following purpose during the year: 1. Business & Operations Expansion 2. Manpower expenses 3. Margin Maintenance with Stock Exchange 4. Investment in Subsidiary 5. General Corporate purpose

Buyback

IIFL Securities Limited, a group company, *vide* its Public Announcement dated December 23, 2020, announced the Buyback of its fully paid-up equity shares of face value of ₹ 2 each (Equity shares), from the members of the Company (except

promoters, promoter group and persons in control of the Company) for an amount aggregating up to ₹ 90,00,00,000 (Rupees Ninety Crores only) ('Maximum Buyback Size') at a price not exceeding ₹ 54 (Rupees Fifty Four Only) per Equity Share, under the open market route through the stock exchanges.

The Buyback commenced on December 30, 2020 and was closed with effect from February 15, 2021. The Company bought back a total of 1,70,00,394 Equity Shares under the Buyback and the total amount spent was approximately ₹ 86,68,19,665.00 (excluding transaction costs), representing 96.31% of the Maximum Buyback Size.

Other than as disclosed above, there are no other public / rights issues (to the public) by our group companies during the last 3 (three) years from the date of the Tranche II Prospectus.

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

As on September 30, 2021, our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see chapter titled "*Financial Indebtedness*" and "*Material Developments*" on page 131 and 33, respectively.

Our Company has not issued any preference shares as on September 30, 2021.

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

Previous Public Issues of Non-Convertible Debenture

Particulars	**Public Issue – Tranche I Issue**
Date of Opening	Tuesday, July 6, 2021
Date of Closing	Wednesday, July 28, 2021
Total Allotment Size (in ₹ million)	₹ 6,558.231 million
Date of Allotment	August 3, 2021
Date of Listing	August 5, 2021
Utilisation of Proceeds	• For the purpose of onward lending, financing, and repayment/ prepayment of interest and principal of existing borrowings of our company • General Corporate Purpose

Dividend

Our Company has in place dividend distribution policy prepared in accordance with Regulation 43A of SEBI Listing Regulations 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 three years

(₹ in million)

Particulars		**For the quarter ended September 30, 2021**	**For the year ended March 31,**		
			2021	**2020**	**2019**
Equity Share Capital (₹ in million)		209.68	209.68	209.68	209.68
Face Value Per Equity Share (₹)	**(a)**	10.00	10.00	10.00	10.00
Interim Dividend on Equity Shares (₹) per Equity Share)	**(b)**	-	25.00	15.00	2.00
Total interim dividend on Equity Shares (₹in million)		-	524.20	314.52	41.94
Dividend Declared Rate (In %)	**(c=b/a)**	-	250.00%	150.00%	20.00%
Dividend tax (gross) on interim dividend (₹ in million)		-	-	64.65	8.62

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Commissions and Brokerage on previous issue

Our Company paid a consolidated sum of ₹ 279.00 million towards brokerage expenses in relation to Tranche I Issue.

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."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹1 million or 1.00% of the turnover of the 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 ₹ 1 million or 1.00% of the turnover of the 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 ₹ ₹5 million or with both.

Revaluation of assets

The Company has not revalued its assets in the last three years.

Utilisation of Proceeds

Our Board of Directors certifies that:

(i) all monies received out of the Issue of the Secured NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act, 2013;

(ii) details of all monies utilised out of the Tranche II Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

(iii) details of all unutilised monies out of this Tranche II Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(iv) we shall utilize the Tranche II Issue proceeds only after (a) receipt of the minimum subscription of 75% of the Base Issue amount; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; and (c) receipt of listing and trading approval from BSE and NSE;

(v) the Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property; and

(vi) the Tranche II Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time.

The funds raised by us from previous bonds issues have been utilised for our business as stated in the respective offer documents.

Mechanism for redressal of investor grievances

The Registrar Agreement 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 and this Tranche II 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 Secured 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 Secured NCDs applied for, amount blocked on Application.

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

The contact details of Registrar to the Issue are as follows:

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

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

Mr. Ajay Jaiswal has been appointed as the Compliance Officer for this issue.

The contact details of the Company Secretary and Compliance Officer of our Company are as follows:

IIFL Home Finance Limited
Plot No.98, Udyog Vihar,
Phase - IV, Gurgaon – 122 015
Haryana, India
Telephone: +91 124 4754 600
Facsimile: +91 22 3929 4000
Email: secretarialhfc@iifl.com

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

Change in auditors of our Company during the last three years

Name	Address	Date of appointment	Date of resignation	Remarks
Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013 Maharashtra, India	July 22, 2017	June 7, 2020	In the opinion of the Auditors the fees proposed by the management of the Company was not commensurate to the efforts that they would be incurring to conduct the audit operations.
M/s. M.P. Chitale & Co. Chartered Accountants	M. P. Chitale & Co. Hamam House, 1st Floor, Ambalal Doshi Marg, Fort, Mumbai 400 001 Maharashtra, India	June 7, 2020	-	-
Suresh Surana Associates LLP	308-309 Technopolis Knowledge Park, Mahakali Caves Road Andheri (East), Mumbai - 400021	September 30, 2021	-	-

Details of overall lending by our Company as of September 30, 2021

Lending Policy

For lending policy in relation to each of the products of our Company, please see "*Our Business – Credit Approval and Disbursement Process*" at page 99.

Type of loans:

The detailed break-up of the type of loans including bills receivables given by our Company as on September 30, 2021, is as follows:

(₹ in million)

Sr. No.	Type of Loans	Amount	Percentage of AUM
1.	Secured	214,711.99	99.99%
2.	Unsecured	30.65	0.01%
	Total Assets under Management (AUM)	**214,742.64**	**100.00%**

A. Sectoral exposure as on September 30, 2021:

Sr. No.	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	-
	(a) Mortgages (Home loans and secured business loan)	98%
	(b) Gold loans	-
	(c) Vehicle loans	-
	(d) MFI	-
	(e) MS&SME	-
	(f) Capital market funding (loan against shares, margin funding)	-
	(g) Others	-
2.	**Wholesale**	-
	(a) Infrastructure	-
	(b) Real Estate (including builder loans)	2%
	(c) Promoter funding	-
	(d) Others	-
	Total	100%

B. Denomination of the loans outstanding by ticket size as on September 30, 2021

Sr. No.	Ticket Size	Percentage of AUM
1.	Upto ₹ 0.2 million	0.31%
2.	₹ 0.2 million to ₹ 0.5 million	1.55%
3.	₹ 0.5 million to ₹ 1 million	8.18%
4.	₹ 1 million to ₹ 2.5 million	43.58%
5.	₹ 2.5 million to ₹ 5 million	21.23%
6.	₹ 5 million to ₹ 10 million	5.85%
7.	₹ 10 million to ₹ 50 million	9.02%
8.	₹ 50 million to ₹ 250 million	7.02%
9.	₹ 250 million to ₹ 1000 million	3.25%
10.	Above ₹ 1000 million	0.00%
	Total	**100.00%**

C. Denomination of loan outstanding by LTV* as on September 30, 2021

Sr. No.	LTV	Percentage of AUM*
1.	Up to 40%	14.11%
2.	40% - 50%	7.63%
3.	50% - 60%	10.66%
4.	60% - 70%	15.72%
5.	70% - 80%	24.28%
6.	80% - 90%	27.58%
7.	More than 90%	0.02%
	Total	**100.00%**

D. Geographical Classification of Company's borrowers as on September 30, 2021

Sr. No.	Top five States	Percentage of AUM
1.	Delhi NCR	28.14%
2.	Mumbai	15.87%
3.	Gujarat	9.61%
4.	MPCG	8.30%
5.	Karnataka	6.44%
	Others	31.64%
	Total	**100.00%**

E. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on September 30, 2021

Particulars	Details
Total advances to twenty largest borrowers *(₹ in million)*	9053.95
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	4.22%

F. Aggregated exposure to top 20 borrowers with respect to concentration of exposure as on September 30, 2021

Particulars	Details
Total exposure to twenty largest borrowers *(₹ in million)*	9,842.18
Percentage of exposure to twenty largest borrowers to total exposure of the Company	4.28%

Note: In in point (F) and (G) above, every loan account were clubbed to one particular borrower wherever applicable.

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on September 30, 2021:

1. Movement of Gross NPAs

(₹ in million)

S. No.	Particulars	Amount
1.	Opening balance	3,527.79
2.	Additions during the year	1,388.83
3.	Reductions during the year	556.68
4.	Closing balance	4,359.94

**Closing and opening of Gross Non Performing Asset includes Interest Accrued and others of ₹ 768.44 million and ₹ 603.20 million, respectively.*

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

(₹ in million)

S. No.	Particulars	Amount
1.	Opening balance	1,692.15
2.	Provisions made during the year	808.08
3.	Write-off / write-back of excess provisions	277.97
4.	Closing balance	2,222.26

3. Segment-wise gross NPA as on September 30, 2021:

S. No	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	-
A	Home loans	2.06%
B	Loan Against Property	4.97%
C	Loan Against Shares	-
D	Construction & Real Estate Finance	-
E	Gold Loans	-
F	MSME & Others	-
G	Promoter	-
2	**Wholesale**	-
A	Infrastructure	-
B	Real Estate (including builder loans)	-
C	Promoter funding	-
D	Others	-
3	**Large Corporate**	-
A	Structured Finance	-
B	Term Loan/ Working Capital Demand Loan	-
4	**Small and Medium Enterprises**	-
A	Loan Against Property	-
B	Structured Finance	-
C	Supply Chain	-
Total GNPA		2.79%

H. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter as of the date of the Tranche II Prospectus.

Onward lending to borrowers forming part of the "Group" as defined by RBI as on September 30, 2021:

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

I. Residual Maturity Profile of Assets and Liabilities as on September 30, 2021

Particulars	Upto 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	6,109.60	2,892.73	2,845.36	7,679.00	13,898.34	44,750.83	25,862.75	46,102.17	150,140.78
Reserves and	-	-	-	-	-	-	-	24,108.38	24,108.38

Particulars	Upto 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Surplus									
Investment	0.50	0.50	0.50	1.51	3.11	13.23	13.58	2,125.07	2,157.99
Borrowings	2,036.20	6,058.72	3,737.02	9,985.43	15,055.78	36,078.00	16,847.08	37,012.22	126,810.45
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities		118.25				3,710.85			3,829.10

J. Concentration of Exposure and NPA as of September 30, 2021

(₹ in million)

Particulars	Amount
Concentration of Exposures	
Total advances to twenty largest borrowers	9,842.18
Percentage of exposure to twenty largest borrowers to total exposure of the Company	4.28%
Concentration of NPAs	
Total exposure to top four NPA accounts	406.20

ALM Statement

For ALM Statement of the Company as of September 30, please see Annexure E.

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 V of SEBI NCS Regulations in compliance with the Regulation 30 of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche II Prospectus with ROC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Debenture Trustee Disclosures

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 1,200,000 (plus the applicable taxes) with service charge of ₹ 1,800,000 (plus the applicable taxes) for the services as agreed in the Consent Letter No. CL/MUM/2122/DEB/104 dated May 28, 2021.

Terms of carrying out due diligence

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled "Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify the Company 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.

The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company. Process of due diligence to be carried out by the Debenture Trustee will be carried out as per SEBI NCS Regulations, SEBI Operational Circular and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the Secured NCD is secured as per terms of the Tranche II Prospectus and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

CATALYST TRUSTEESHIP LIMITED HAVE FURNISHED TO SEBI AND STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED DECEMBER 2, 2021, AS PER REGULATION 40 OF THE SEBI NCS REGULATIONS, 2021 WHICH READS AS FOLLOWS:

1. We have examined documents pertaining to the said issue and other such relevant documents.

2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents,

WE CONFIRM THAT :

a. The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b. The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c. The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.

d. All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.

Our Company has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A to the DT Circular.

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION V- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Issuer	IIFL Home Finance Limited
Type of instrument/ Name of the security/ Seniority for the Tranche II Issue	Secured, redeemable, non-convertible debentures
Seniority	Senior
Nature of the Instrument for the Tranche II Issue	Secured, redeemable, non-convertible debentures
Mode of the Issue	Public Issue
Lead Managers	Edelweiss Financial Services Limited, IIFL Securities Limited*, ICICI Securities Limited; Trust Investment Advisors Private Limited, and Equirus Capital Private Limited. **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.*
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	Link In time India Private Limited
Tranche II Issue Size	₹ 10,000 million
Base Issue	₹ 1,000 million
Minimum Subscription	₹ 750 million
Option to retain oversubscription Amount	₹ 9,000 million
Tranche II Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Secured NCDs**") for an amount of ₹ 1,000 million ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 9,000 million amounting to up to ₹ 10,000 ("**Tranche II Issue Limit**") ("**Tranche II Issue**") which is within the Shelf Limit of ₹ 50,000 million and is being offered by way of this Tranche II Prospectus dated December 3, 2021 containing *inter alia* the terms and conditions of Tranche II Issue ("**Tranche II Prospectus**"), which should be read together with the Shelf Prospectus dated June 29, 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 II Prospectus constitutes the prospectus "**Prospectus**").
Eligible Investors	See "*Issue Procedure –Who can apply?"* on page 358.
Objects of the Issue	See "*Objects of the Tranche II Issue*" page 29.
Details of Utilization of the Proceeds	See "*Objects of the Tranche II Issue*" page 29.
Interest Rate on each category of investor	See "*Terms of the Issue - Interest and Payment of Interest*" on page 349
Step up/ Step Down Interest rates	NA
Interest type	Fixed
Interest reset process	NA
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security	The principal amount of the Secured NCDs to be issued in terms of the Tranche II Prospectus together with all interest due and payable on the Secured NCDs, thereof shall be secured by way of first *pari-passu*/ specified charge in favour of the Debenture Trustee on present and future receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of atleast 100% of the outstanding principal amounts of the Secured NCDs and interest thereon is maintained at all time until the Maturity Date.

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 II Prospectus	We have received necessary consents from the relevant debenture trustees and security trustees for ceding *pari passu* charge in favour of the Debenture Trustee in relation to the Secured NCDs. Secured NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Further, please refer to the section titled "*Issue related Information*" and the Debenture Trust Deed to be executed for this Tranche II Issue. The Company shall pay interest of atleast 2% p.a. to the Secured NCD holders, over and above the coupon rate mentioned in this Tranche II Prospectus if the Company fails to execute the Debenture Trust Deed within the stipulated regulatory timeframe.
Issuance mode of the instrument	In dematerialised form only
Frequency of interest payment	See "*Terms of the Issue - Interest and Payment of Interest*" on page 349.
Interest Payment date	See "*Terms of the Issue - Interest and Payment of Interest*" on page 349.
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	See "*Terms of the Issue - Interest and Payment of Interest*" on page 349
Redemption Date	See "*Issue Structure*" beginning on page 336.
Redemption Amount	See "*Issue Structure*" beginning on page 336.
Redemption Premium / Discount	See "*Issue Structure*" beginning on page 336.
Face Value	₹ 1,000 per Secured NCD
Issue Price	₹ 1,000 per Secured NCD
Discount at which security is issued and the effective yield as a result of such discount	NA
Put date	NA
Put price	NA
Call date	NA
Call price	NA
Put notification time	NA
Call notification time	NA
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 Secured NCD) and in multiple of ₹ 1,000 (1 Secured NCD) thereafter
Market Lot / Trading Lot	The market lot will be one Debenture ("**Market Lot**"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit Ratings	The Secured NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) for an amount of ₹ 50,000 million by CRISIL Ratings Limited vide their rating letter dated June 11, 2021 and revalidated *vide* letter dated November 25, 2021, and BWR AA+/ Negative (Assigned) (pronounced as "BWR Double A plus with Negative outlook") for an amount of ₹50,000 million by Brickwork Ratings India Private Limited vide their rating letter dated June 11, 2021 and revalidated *vide* letter dated November 26, 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 II Prospectus for the rationale of the above ratings.
Listing	The Secured NCDs are proposed to be listed on BSE and NSE. The Secured NCDs shall be listed within six Working Days from the date of Tranche II Issue Closing Date.
Depository	NSDL and CDSL
Modes of payment	See "*Issue Procedure – Terms of Payment*" on page 339.
Issuance mode of the Instrument*	In dematerialised form only
Trading mode of the instrument*	In dematerialised form only
Tranche II Issue Opening Date	Wednesday, December 8, 2021
Tranche II Issue Closing Date	Tuesday, December 28, 2021**
Record date	The record date for payment of interest in connection with the Secured 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 Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company will be deemed as the Record Date.
Settlement mode of instrument	Redemption
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As mentioned in the Debenture Trust Deed
Issue Documents/ Offer Documents/ Transaction Documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Lead Broker Agreement. For further details, see "*Material Contracts and Documents for Inspection*" on page 387.
Condition precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Condition subsequent to the disbursement	Other than the conditions specified in the SEBI NCS Regulations and the Debenture Trust Deed, there are no conditions subsequent to disbursement. See "*General Information - Utilisation of Issue Proceeds*" on page 26
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	See "*Terms of the Issue – Events of Default*" on page 343.
Creation of recovery expense fund	Our Company undertakes to deposit, in the manner as may be specified by SEBI from time to time, the amount in the recovery expense fund and inform the Debenture Trustee regarding the deposit in such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the summary term sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed and this Tranche II Prospectus
Deemed date of Allotment	The date on which the Board of Directors/or the Finance Committee approves the Allotment of the Secured NCD for this Tranche II 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 Secured NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Secured NCDs including interest on Secured NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	Please see section titled "*Terms of the Issue-Trustees for the NCD Holders*" on page 343.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 34.
Provisions related to Cross Default Clause	NA
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 Secured 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.

Notes:

** If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed to the Stock Exchange.*

** In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the Secured NCDs in dematerialised form. Trading in Secured NCDs shall be compulsorily in dematerialized form.*

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board of Directors or Finance Committee. In the event of such early closure of or extension subscription list of the Tranche II 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 this Tranche II 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 II Issue Period. On the Tranche II 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 Tranche II Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 336.*

While debt securities are secured to the tune of 100% of the principal and interest amount or such higher amount as per the terms of offer document in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that such security is maintained.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Please refer to Schedule D for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Terms of payment

The entire face value per Secured NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of Secured 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 II Prospectus.

Participation by any of the above-mentioned Investor classes in the Tranche II 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 Secured NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The Secured 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 Secured 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 3I(7) thereof. This Tranche II 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 Secured NCDs are set out below:

Series	**I***	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**
Frequency of Interest Payment	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative
Minimum Application	₹10,000 (10 Secured NCDs) across all series							
In Multiples of thereafter (₹)	₹ 1,000 (one Secured NCD)							
Face Value/ Issue Price of Secured NCDs (₹/ Secured NCD)	₹1,000							
Tenor (in months)	36	36	60	60	60	84	84	84
Coupon (% per annum) for Secured NCD Holders in all Category	8.25%	NA	8.20%	8.50%	NA	8.43%	8.75%	NA
Effective Yield (% per annum) for Secured NCD Holders in all Category	8.24%	8.25%	8.51%	8.50%	8.50%	8.76%	8.74%	8.75%
Redemption Amount (₹/ Secured NCD) on Maturity for Secured NCD Holders in all Category	₹1,000	₹1,268.80	₹1,000	₹1,000	₹1,504.00	₹1,000	₹1,000	₹1,799.75
Maturity / Redemption Date (Months from the Deemed Date of Allotment)	36 months	36 months	60 months	60 months	60 months	84 months	84 months	84 months
Nature of Indebtedness	Secured Redeemable Non-Convertible Debentures							
Put/ Call Option	NA							
Mode of Interest Payment	Through various modes available							

**Our Company would allot the Series I Secured NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of Secured NCDs.*

**All Category of Investors in the proposed Issue who are also holders of*

1. NCD(s)/Bond(s) previously issued by our Company i.e. IIFL Home Finance Limited and /or Our Promoter, IIFL Finance Limited, as the case may be and/or

2. Equity shareholder(s) of IIFL Finance Limited, as the case may be, on the Deemed Date of Allotment

- *Applying in Series I, Series III, Series IV, Series VI, and/or Series VII shall be eligible for additional incentive of 0.25% p.a. provided the Secured NCDs issued under the proposed Tranche II Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series IV, Series VI, and/or Series VII.*

- *Applying in Series II, Series V and/or Series VIII, the maturity amount at redemption along with the additional yield would be ₹ 1,277.60 per Secured NCD, ₹ 1,521.45 per Secured NCD and/or ₹ 1,830.00 per Secured NCD respectively provided the Tranche II Secured NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series V and/or Series VIII.*

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 Secured NCDs pursuant to the Tranche II Issue.

For further details, see "*Issue Procedure*" on page 358.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

The Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on June 6, 2020. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution dated November 12, 2018 up to an amount of ₹19,000 Crore.

Principal Terms & Conditions of the Issue

The Secured NCDs being offered as part of the Issue are subject to the provisions of the NCS Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Tranche II Prospectus, the Shelf Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, NHB, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the Secured NCDs.

Ranking of NCDs

The Secured NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking *pari passu* charge on current assets, including book debts, receivables, loans and advances and cash & bank balances (excluding receivables pertaining to capital market exposures), both present and future of the Company. The claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

Debenture Trust Deed

Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee for the benefit of the Secured 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 Secured NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with Debenture Trustee that it will pay the Secured NCDs Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on the Secured NCDs at the rates specified in this Tranche II 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 NCS Regulations, any housing finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Fiscal 2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus , the Company is not required to create DRR for the purpose of redemption of the Secured NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the Secured NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien;
B. in unencumbered securities of the Central Government or any State Government;

C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each Secured NCD shall be ₹ 1,000.

Trustees for the NCD Holders

Our Company has appointed Catalyst Trusteeship Limited to act as the Debenture Trustee for the Secured NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the Secured NCD Holder(s) shall discharge us *pro tanto* to the Secured NCD Holder(s).

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the Secured NCD Holder(s) shall discharge us pro tanto to the Secured NCD Holder(s).

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action.

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 Secured NCDs or with the sanction of a special resolution, passed at a meeting of the Secured NCD Holders, (subject to being indemnified and/or secured by the Secured NCD Holders to its satisfaction), give notice to our Company specifying that the Secured NCDs and/or any particular series of Secured NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

1. Default is committed in payment of the principal amount of the Secured NCDs on the due date(s);
2. Default is committed in payment of any interest on the Secured NCDs on the due date(s);
3. Default is committed in payment of any other amounts outstanding and such default continues for a period of 15 (fifteen) days;
4. Defaults in performance or compliance with one or more of its material obligations in relation to the Secured 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;
5. 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; Default is committed if any information given to the Company in the Shelf Prospectus, the respective Tranche Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;

6. Default is committed if any information given to the Company in the Shelf Prospectus, the respective Tranche Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
7. 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;
8. 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;
9. 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 Secured NCDs;
10. If the Company is unable to pay its debts;
11. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
12. The Company ceases to carry on its business or gives notice of its intention to do so;
13. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
14. 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;
15. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
16. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
17. If it becomes unlawful for the company to perform any of its obligations under any transaction document;
18. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
19. Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
20. Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and
21. Any other event described as an Event of Default in the Disclosure Documents/ Shelf Prospectus, this Tranche II Prospectus and the Transaction Documents.

In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the Secured NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the Secured NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the

ISIN level.

NCD Holder not a Shareholder

The Secured 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 NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the relevant provisions of the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the Secured 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 Secured NCDs is to be placed before the Shareholders, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the Secured 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 Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the Secured NCD Holders representing at least three-fourths in value of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Secured NCD 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 Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Depositories shall maintain the up to date record of holders of the Secured NCDs in dematerialised form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Secured NCDs maintained by a Depository for any Secured NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a register of Debenture Holders for this purpose.

5. A register of Debenture Holders holding Secured NCDs in physical form pursuant to rematerialisation of the Secured NCDs issued pursuant to this Issue ("**Register of Debenture Holder**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/redemption amounts and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders as on the Record Date.

6. The Secured NCDs are subject to the provisions of the SEBI NCS Regulations, the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche II Prospectus , our Memorandum and Articles of Association, the terms of the Shelf Prospectus, this Tranche II 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 this Tranche II Issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

7. For the Secured NCDs issued in dematerialized form, the Depositories shall also maintain updated records of holders of the Secured NCDs in dematerialized Form. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured 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 Secured NCDs maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Secured 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 Secured NCD Holders.

8. Subject to compliance with applicable statutory requirements, the Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the Secured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole Secured NCD holder, or first Secured NCD holder, along with other joint Secured NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person (being an individual) who, with whom, in the event of the death of the sole holder of all the joint-holders, as the case may be, shall become entitled to Secured NCDs. Where the nomination is made in respect of the Secured 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 Secured 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 Secured NCDs. Where the nominee is a minor, the Secured NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to Secured NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of Secured NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

Secured NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the Secured NCD(s) to the nominee in the event of demise of the Secured 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 Secured NCDs; or
- to make such transfer of the Secured 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 Secured 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 Secured NCDs, until the requirements of the notice have been complied with.

Since the allotment of Secured 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 this Tranche II Issue

Secured NCDs being issued through this Tranche II Prospectus, in dematerialised form only, can be applied for, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Tranche II Issue shall be made through the ASBA facility only.

Our Company will make public issue of the Secured 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 Secured NCDs in physical form will rematerialise the Secured NCDs. However, any trading of the Secured NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the NCS Regulations, the trading of the Secured NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) Secured NCD ("**Market Lot**"). Allotment in this Tranche II Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one Secured NCD.

For details of allotment see "*Issue Procedure*" beginning on page 358.

Transfer/Transmission of NCD(s)

The Secured NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of Issue – Interest*" on page 349 for the implications on the interest applicable to Secured NCDs held by Individual Investors on the Record Date and Secured NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), Secured NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the Secured NCDs issued pursuant to this Tranche II Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- the Secured 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 Secured NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Secured NCD Certificate issued in respect of the Secured NCDs and no person will be liable for so treating the Debenture Holder.

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

Register of NCD Holders

No transfer of title of a Secured NCD will be valid unless and until entered on the Register of Secured NCD Holders (for re materialized Secured NCDs) or the register and index of Secured 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 Secured 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 Secured NCDs will need to be settled with the seller of the Secured 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 Secured NCDs as well.

Succession

Where Secured NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Secured NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased Secured 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 Secured 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 Secured 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 Secured NCD Holders who are holding Secured NCDs in dematerialized form, third person is not required to approach our Company to register his name as successor of the deceased Secured NCD Holder. The Secured 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 Secured 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 Secured NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Secured NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any Secured NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for rematerialisation of NCDs

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

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of Secured NCDs allotted pursuant to the Tranche II Issue. Pursuant to the SEBI LODR Amendment, Secured NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the Secured NCDs issued pursuant to this Tranche II Issue shall be compulsorily in dematerialized form only. Secured NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018.

Tranche II Issue Programme

TRANCHE II ISSUE PROGRAMME*

Tranche II Issue Opens on	Wednesday, December 8, 2021
Tranche II Issue Closes on	Tuesday, December 28, 2021

** The Tranche II 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 II 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 II 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 II 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 Tranche II Issue Closing Date For further details please see "Issue Related Information" on page* 336.

Further please note that Application Forms for the Tranche II Issue shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") ("**Bidding Period**") during the Tranche II 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 II 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 II Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche II Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Tranche) on the Tranche II Issue Closing Date. All times mentioned in this Tranche II Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II 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 this Tranche II 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 NCDs

Series I Secured NCD

In case of Series I Secured 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 Secured NCD:

Category of NCD Holders	**Coupon (%)**
Category I, II, III & IV	8.25%
For Category I, II, III & IV Investors eligible for additional incentive of 0.25% (p.a.)	8.50%

Series I Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series II Secured NCD

In case of Series II Secured NCDs, the Secured NCDs shall be paid interest along with the principal and would be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	**Face Value** *(₹ per NCD)*	**Redemption Amount** *(₹ per NCD)*
Category I, II, III & IV	1,000	₹1,268.80
For Category I, II, III & IV Investors eligible for additional incentive/ premium amount (₹/ Secured NCD)	1,000	₹1,277.60

Series III NCD

In case of Series III Secured 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 III Secured NCD:

Category of Secured NCD Holders	Coupon (%)
Category I, II, III & IV	8.20%
For Category I, II, III & IV Investors eligible for additional incentive of 0.25% (p.a.)	8.45%

Series III Secured NCDs shall be redeemed at the face value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series IV Secured NCD

In case of Series IV Secured 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 IV Secured NCD:

Category of Secured NCD Holders	Coupon (%)
Category I, II, III & IV	8.50%
For Category I, II, III & IV Investors eligible for additional incentive of 0.25% (p.a.)	8.75%

Series IV Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series V Secured NCD

In case of Series V Secured NCDs, the Secured NCDs shall be paid interest along with the principal and would be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of Secured NCD Holders	Face Value *(₹ per NCD)*	Redemption Amount *(₹ per NCD)*
Category I, II, III & IV	1,000	₹1,504.00
For Category I, II, III & IV Investors eligible for additional incentive/ premium amount (₹/ Secured NCD)	1,000	₹1,521.45

Series VI Secured NCD

In case of Series VI Secured 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 VI Secured NCD:

Category of Secured NCD Holders	Coupon (%)
Category I, II, III & IV	8.43%
For Category I, II, III & IV Investors eligible for additional incentive of 0.25% (p.a.)	8.68%

Series VI Secured NCDs shall be redeemed at the face value thereof along with the interest accrued thereon, if any, at the end of 84 months from the Deemed Date of Allotment.

Series VII Secured NCD

In case of Series VII Secured 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 VII Secured NCD:

Category of Secured NCD Holders	Coupon (%)
Category I, II, III & IV	8.75%

Category of Secured NCD Holders	Coupon (%)
For Category I, II, III & IV Investors eligible for additional incentive of 0.25% (p.a.)	9.00%

Series VII Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 84 months from the Deemed Date of Allotment.

Series VIII Secured NCD

In case of Series VIII Secured NCDs, the Secured NCDs shall be paid interest along with the principal and would be redeemed at the end of 84 months from the Deemed Date of Allotment as mentioned below:

Category of Secured NCD Holders	Face Value *(₹ per NCD)*	Redemption Amount *(₹ per NCD)*
Category I, II, III & IV	1,000	₹1,799.75
For Category I, II, III & IV Investors eligible for additional incentive/ premium amount (₹/ Secured NCD)	1,000	₹1,830.00

Payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of Secured NCDs shall be determined at the time of Allotment of Secured NCDs. Secured NCDs once allotted under any particular Series of Secured 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 Secured 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 Secured 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 Secured 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 "*Terms of the Issue - Manner of Payment of Interest/ Refund*" at page 353.

Payment of Interest will be made to those Secured NCD Holders whose names appear in the register of Secured NCD Holders (or to first holder in case of joint-holders) as on Record Date. For Secured NCDs subscribed, in respect to Series III and VI, 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 Secured NCDs. For Secured NCDs subscribed, in respect to Series III and VI, 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 Secured NCDs and paid on the first day of every subsequent month. For example, assuming Deemed Date of Allotment (tentative) as January 3, 2022, first interest payment will be from the Deemed Date of Allotment till January 31, 2022 and will be paid on February 1, 2022.

Basis of payment of Interest

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

Our Company may offer the facility of NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Secured 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 *"Terms of the Issue - Manner of Payment of Interest / Refund"* at page 353.

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 Secured NCDs held in the dematerialized form.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day, in accordance with the Working Day Convention. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 358, please note that in case the Secured NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such Secured NCDs or the deceased holder of Secured NCDs, as the case may be, shall be entitled to any interest which may have accrued on the Secured NCDs.

Day Count Convention

Interest shall be computed on an actual / actual basis on the principal outstanding on the Secured NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the Secured NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in this Tranche II Prospectus.

Maturity and Redemption

The manner of payment of interest / refund / redemption in connection with the Secured 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 Secured 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.

Put / Call Option

NA

Application Size

Each application should be for a minimum of ten Secured NCDs and multiples of One Secured NCD. The minimum application size for each application for Secured NCDs would be ₹ 10,000 and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all Series of Secured 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 Secured 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 Secured NCD is payable on application itself. In case of allotment of lesser number of Secured NCDs than the number of Secured NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Tranche II Prospectus .

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the Secured NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured 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 days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the Secured NCD as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company is not permitted to extend any loans against the security of its Secured NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of Secured NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the Secured NCD Holders to offer the Secured NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such Secured NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the Secured NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination of NCDs

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one Secured NCD ("**Market Lot**"). In case of Secured NCDs held under different Options, as specified in this Tranche II Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held

under each Option.

It is, however, distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the Secured NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original Secured NCD certificate, which would then be treated as cancelled.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the Secured NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Secured NCD certificates) be surrendered for redemption on maturity and should be sent by the Secured NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Secured NCD Holders may be requested to surrender the Secured NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the Secured NCD certificates to us and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled.

Payment on Redemption

NCDs held in physical form on account of re-materialization:

The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of Secured NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the Secured NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged Secured NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption.

Our liability to Secured NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These Secured NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the Secured NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Secured NCD Holders.

Our liability to Secured NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any Secured NCD(s), we shall have and shall be deemed always to have had the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Secured NCDs either by reselling or reissuing the same Secured NCDs or by issuing other Secured NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the Secured NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Secured 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 Secured NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ Secured NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to stipulated security cover being maintained and applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the Secured NCDs and after obtaining the consent of, or intimation to, the Secured NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche II Prospectus. Our Company shall allot Secured NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described in this Tranche II Prospectus and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or this Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

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

Utilisation of Application Amount

The sum received in respect of the Tranche II Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the Secured NCDs, execution of Debenture Trust Deed(s) and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of the Tranche II Issue Proceeds

a. All monies received pursuant to the Tranche II Issue of Secured 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 II 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 Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

d. Our Company shall utilise the Tranche II Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche II 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.

e. The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

f. Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and this Tranche II 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 II Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30 of SEBI NCS Regulations.

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

Listing

The Secured NCDs offered through this Tranche II Prospectus are proposed to be listed on the BSE and NSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE *vide* its letter no. DCS/BM/PI-BOND/006/21-22 dated June

24, 2021 and NSE *vide* its letter no. NSE/LIST/D/2021/0061 dated June 24, 2021 and an extension of validity for three months vide letter dated November 25, 2021. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Tranche II 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 Secured NCDs shall not be listed.

Guarantee/Letter of Comfort

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

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Tranche II Issue. For the relevant Fiscals commencing from the Fiscals 2021-22, our Company will disclose in our financial statements, the utilization of the net proceeds of the Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche II Issue.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the Secured NCD Holder, to the extent of all outstanding dues, if any by the Secured NCD Holder to our Company, subject to applicable law.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of Secured NCDs if such pledge of Secured NCDs is accepted by any bank or institution for any loan provided to the Secured NCD Holder against pledge of such Secured NCDs as part of the funding.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Operational Circular, which provides, inter-alia, that for all public issues of debt securities 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. Further, Retail Individual Investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 2,00, 000.*

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 Secured NCDs that can be held by them under applicable law or as specified in this Tranche II Prospectus.

Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value upto ₹ 2 Lac submitted through the app/web interface of the Stock Exchanges or through intermediaries (Lead Brokers, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

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 II 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 II 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 OMMISSIONS 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 Secured NCDs, Working Days shall mean all trading days of the stock exchanges excluding Sundays and bank holidays in Mumbai. During the tenor of the Secured 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 II Prospectus.

Who can apply?

The following categories of persons are eligible to apply in this Tranche II 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 Secured 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 Secured 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 Secured NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public or private charitable or religious trusts which are authorised to invest in the Secured NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the Secured 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 Secured NCDs in this Tranche II 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 Secured NCDs in this Tranche II 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 Secured 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 II Prospectus.

How to apply?

Availability of the Shelf Prospectus, the Tranche II 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 II 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 II Prospectus and the Application Forms will be available:

(i) for download on the website of BSE at www.bseindia.com, on the website of NSE at www.nseindia.com and the website of the Lead Managers at www.edelweissfin.com, www.iiflcap.com, www.icicisecurities.com, www.trustgroup.in and 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 SEBI Operational 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 SEBI Operational 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 ₹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 ₹ 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 371.

Application Size

Each application should be for a minimum of 10 Secured NCDs across all series collectively and multiples of 1 Secured NCD thereafter (for all series of Secured NCDs taken individually or collectively). The minimum application size for each application for Secured 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 Secured 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 Secured 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 Secured 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 II Issue based upon their own investment limits and approvals. Applications by them for Allotment of the Secured 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 Secured 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 ₹ 5,000 million 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 Secured 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 Secured 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 Secured 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 Secured 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 Secured 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 Secured 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 Secured 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 Secured NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the Secured 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 Secured 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 Secured 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 Secured NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the Secured NCDs, for Allotment of the Secured 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 Secured 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 Secured 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 Secured 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 ₹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 II 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 Secured 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 II Prospectus with ROC

A copy of the Shelf Prospectus and the Tranche II Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

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 II 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 Secured NCDs and in multiples of one Secured 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 Secured 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 Secured 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 Secured Series I Secured NCDs to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of Secured NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE SECURED 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 Secured 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 II 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 Secured 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 Secured 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)

UPI Mechanism is applicable for public debt issues 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 Secured 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 Secured 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 Secured 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 II Prospectus; nor does it warrant that the Secured 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 Operational Circular.

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 dependent 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.

y) 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 5, 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 II 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 Secured 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 ₹ 200,000;

- 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 Secured 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 Secured NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of Secured 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 Secured 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 269.

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 Secured NCDs for the same or other series of Secured NCDs, as specified in this Tranche II Prospectus, subject to a minimum Application size as specified in this Tranche II 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 ₹ 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 Secured 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 Secured NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated December 17, 2012, and September 9, 2010, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) Secured 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 Secured 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 Secured NCDs held in dematerialised form would be paid to those Secured 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 Secured 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 Secured NCDs on the floor of the Stock Exchange(s) shall be in dematerialized form in multiples of One Secured NCD only.

Allottees will have the option to rematerialise the Secured 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 Secured NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 269.

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 Secured NCDs in depository's beneficiary account, etc. Please note that Applicants who have applied for the Secured 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 Secured NCDs in depository's beneficiary account, etc.

Interest in case of Delay in allotment/ listing

Our Company undertakes to pay interest, in connection with any delay in allotment/ listing , demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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 Secured 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 Secured 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 Secured NCDs Applied for. However, our Company may allot Secured NCDs up to the number of Secured NCDs Applied for, if the value of such Secured 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, Secured 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, 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 Secured 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 Secured 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 II 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 Secured 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 Secured 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 Secured 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 Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Secured NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche II Issue up to the Tranche II Issue Limit i.e. aggregating up to ₹ 10,000 Million. The aggregate value of Secured NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche II Issue), and/or the aggregate value of Secured NCDs up to the Base Issue Size shall be collectively termed as the "Tranche II 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
20%	10%	35%	35%

(a) *Allotments in the first instance:*

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated Secured NCDs up to 20 % of Tranche II 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 Secured NCDs up to 10 % of Tranche II 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 Secured NCDs up to 35 % of Tranche II 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 Secured NCDs up to 35 % of Tranche II 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 380.

As per the SEBI Operational Circular, the allotment in this Tranche II 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 II 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 Secured NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds Secured NCDs to be Allotted for each portion respectively.

(d) Minimum Allotments of one Secured NCD and in multiples of one Secured 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 Secured 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 Secured 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 II 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 Secured 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 Secured 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 II 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 Secured NCDs being higher than the Tranche II Issue Limit, not all Applicants will be allotted the number of Secured 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 Secured NCDs*: If an Applicant has applied for more than one Series of Secured NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of Secured NCDs applied for, the Series-wise allocation of Secured NCDs to such Applicants shall be in proportion to the number of Secured 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 Managers and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 8 (Eight) Series and in case such Applicant cannot be allotted all the 8 (Eight) Series, then the Applicant would be allotted Secured 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 II Issue Closing Date.

All decisions pertaining to the basis of allotment of Secured NCDs pursuant to the Tranche II 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 II 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 Secured NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the Secured 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 Secured 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 II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue Size, i.e. ₹ 750 million before the Tranche II Issue Closing Date. Our Company shall allot Secured 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 II Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the Secured NCDs is lesser than the minimum subscription which is 75% of the Base Issue Size, i.e. ₹ 750 million before the Tranche II Issue Closing Date.

In the event of such early closure of the Tranche II 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 II Issue Closing Date of the Tranche II Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche II 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 in the SEBI Operational 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 II 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 II 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 II 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 Secured NCDs proposed to be offered in pursuance of the Shelf Prospectus, and this Tranche II Prospectus will be listed on the BSE and NSE. Our Company has received an 'in-principle' approval from BSE vide its letter no. DCS/BM/PI-BOND/006/21-22 dated June 24, 2021 and NSE vide its letter no. NSE/LIST/D/2021/0061 dated June 24, 2021 and an extension of validity for three months vide letter dated November 25, 2021. For the purpose of the Tranche II Issue, NSE shall be the Designated Stock Exchange. The application for listing of the Secured NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our Secured 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 II 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 II 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 Secured 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 Secured 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 Secured NCDs are outstanding;

f) we shall forward the details of utilisation of the funds raised through the Secured 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 Secured NCDs as contained in the Shelf Prospectus and this Tranche II 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.

SECTION VI- 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, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under this Tranche II Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated June 16, 2021 read with Addendum to Issue Agreement dated December 1, 2021, between our Company and the Lead Managers.

2. Registrar Agreement dated June 16, 2021 read with Addendum to Registrar Agreement dated December 1, 2021, between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated June 16, 2021 read with Addendum to the Debenture Trustee Agreement dated November 26, 2021, executed between our Company and the Debenture Trustee.

4. Tripartite agreement dated December 17, 2012, among our Company, the Registrar and CDSL.

5. Tripartite agreement dated September 9, 2010, among our Company, the Registrar and NSDL.

6. Public Issue Account and Sponsor Bank Agreement dated December 1, 2021 between our Company, the Lead Managers, Registrar to the Issue and ICICI Bank Limited.

7. Lead Broker Agreement dated December 1, 2021 among our Company, Lead Managers and Lead Brokers.

8. Draft of the Debenture Trust Deed.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Certificate of Incorporation of our Company dated December 26, 2006, as a company limited by shares, issued by Registrar of Companies, Mumbai.

3. Fresh Certificate of Incorporation of our Company dated May 2, 2018, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Home Finance Limited.

4. Certificate of Registration dated September 14, 2018, bearing registration no. 09.0175.18 issued by the National Housing Bank; pursuant to the change of name of the Company to IIFL Home Finance Limited.

5. Copy of shareholders' resolution approved at the EGM dated November 12, 2018 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.

6. Copy of the resolution approved by the Board of Directors dated June 6, 2020, approving the issue of Debentures.

7. Copy of the resolution approved by the Finance Committee at its meeting held on June 17, 2021, approving the Draft Shelf Prospectus.

8. Copy of the resolution approved by the Finance Committee at its meeting held on June 29, 2021, approving the Shelf Prospectus and Tranche I Prospectus.

9. Copy of the resolution approved by the Finance Committee at its meeting held on December 3, 2021, approving this Tranche II Prospectus.

10. Letter dated June 11, 2021 and revalidated *vide* letter dated November 25, 2021, by CRISIL Ratings Limited assigning

a rating of "CRISIL AA/Stable" (pronounced as CRISIL double A rating with stable outlook) for the Issue with rating rationale.

11. Letter dated June 11, 2021 and revalidated *vide* letter dated November 26, 2021, by Brickwork Ratings Private Limited assigning a rating of 'BWR AA+/ Negative (Assigned)" (pronounced as BWR Double A plus with Negative outlook) for the Issue with rating rationale.

12. Consents of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary and Compliance Officer, Lead Managers, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to the Company, Public Issue Account Bank, Refund Bank, Sponsor Bank, Registrar to the Issue, Lead Broker to this Tranche II Issue and the Debenture Trustee for the Secured NCDs, to include their names in the Shelf Prospectus and the Tranche II Prospectus, in their respective capacities and the NOCs received from Lenders to our Company.

13. Consent of CRISIL Limited dated December 1, 2021, as the agency issuing the industry report titled 'NBFC Report – October 2021' forming part of the Industry Overview chapter.

14. Consents of the Statutory Auditors of the Company both dated December 1, 2021, for inclusion of their name as an expert in respect of their (i) examination report dated November 29, 2021, on our Reformatted Financial Statements; (ii) Limited Review Report dated October 21, 2021 on Unaudited Financial Results; and (iii) their report dated December 1, 2021 on the statement of tax benefits.

15. The examination report dated November 29, 2021, in relation to the Reformatted Financial Statements.

16. Statement of tax benefits dated December 1, 2021, issued by the Joint Statutory Auditors.

17. Annual Report of our Company for the last five Fiscals.

18. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/006/21-22 dated June 24, 2021.

19. In-principle listing approval from NSE by its letter no. NSE/LIST/D/2021/0061 dated June 24, 2021 and an extension of validity for three months *vide* letter dated November 25, 2021.

20. Due Diligence Certificate dated June 29, 2021 filed by the Lead Managers with SEBI in relation to the Shelf Prospectus and Tranche I Prospectus.

21. Due Diligence Certificate dated December 3, 2021 filed by the Lead Managers with SEBI in relation to the Tranche II Prospectus.

22. Due Diligence Certificate dated December 2, 2021, from the Debenture Trustee to the Issue.

23. Business transfer agreement between the Company and IIFL Finance Limited dated June 29, 2019.

24. Trade License Agreement between the Company and IIFL Securities Limited dated April 12, 2021.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the legal requirements including relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India, National Housing Bank and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable , as the case may be, We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government

We further certify that all the disclosures and statements in this Tranche II Prospectus are in compliance with all the applicable legal requirements and are true, accurate and correct in all material respects, are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche II Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Tranche II Prospectus.

Signed by the Board of Directors of our Company

Nirmal Jain
Non-Executive Director
DIN: 00010535

R. Venkataraman
Non-Executive Director
DIN: 00011919

Kranti Sinha
Independent Director
DIN: 00001643

S Sridhar
Chairman & Independent Director
DIN: 00004272

A. K. Purwar
Independent Director
*DIN:*00026383

Monu Ratra
Executive Director & CEO
DIN: 07406284

Mohua Mukherjee
Independent Director
*DIN***:** 08714909

Date: December 3, 2021

Place: Mumbai

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM CRISIL

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Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/IDIFHF/272813/NCD/0621/11224/94573509/4
November 25, 2021

Mr. Monu Ratra
Executive Director & Ceo
IIFL Home Finance Limited
8th Floor Hubtown Solaris
N.S.Phadke Marg, Near East West Flyover
Andheri (E),
Mumbai City - 400069

Dear Mr. Monu Ratra,

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

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letters September 14, 2021 bearing Ref. no.: RL/IDIFHF/272813/NCD/0621/11224/94573509/3

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

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

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

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

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

** Interchangeable between secured and subordinated debt, and it is 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.crisilratings.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.*

Ratings

CRISIL
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RL/IDIFHF/272813/NCD/0621/11224/94573509/3
September 14, 2021

Mr. Monu Ratra
Executive Director & Ceo
IIFL Home Finance Limited
8th Floor Hubtown Solaris
N.S.Phadke Marg, Near East West Flyover
Andheri (E),
Mumbai City - 400069

Dear Mr. Monu Ratra,

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

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letters August 16, 2021 bearing Ref. no.: RL/IDIFHF/272813/NCD/0621/11224/94573509/2

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

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

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

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

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

** Interchangeable between secured and subordinated debt, and it is 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.*

Ratings

CRISIL
An S&P Global Company

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RL/IDIFHF/272813/NCD/0621/11224/94573509
June 11, 2021

Mr. Monu Ratra
Executive Director & Ceo
IIFL Home Finance Limited
8th Floor Hubtown Solaris
N.S.Phadke Marg, Near East West Flyover
Andheri (E),
Mumbai City - 400069

Dear Mr. Monu Ratra,

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

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

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

With warm regards,

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

** Interchangeable between secured and subordinated debt, and it is for Retail Bond Issuance*

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

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

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

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Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

June 11, 2021 | Mumbai

IIFL Home Finance Limited

'CRISIL AA / Stable' assigned to Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.6000 Crore**
Long Term Rating	**CRISIL AA/Stable (Reaffirmed)**

Rs.5000 Crore Non Convertible Debentures&	**CRISIL AA/Stable (Assigned)**
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA r /Stable (Reaffirmed)**
Rs.200 Crore Principal Protected Market Linked Non-Convertible Subordinated Debentures	**CRISIL PPMLD AA r /Stable (Reaffirmed)**
Rs.5000 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.2152 Crore	**CRISIL AA/Stable (Reaffirmed)**

& Interchangeable between secured and subordinated debt, and it is for Retail Bond Issuance
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA/Stable'** rating to Rs 5000 crore non-convertible debentures (NCDs) of IIFL Home Finance Limited (IIFL Home; part of IIFL Finance group) and reaffirmed its ratings on other debt instruments and bank facilities of the company at 'CRISIL AA/CRISIL PP-MLD AAr/Stable/CRISIL A1+'.

In March 2021, CRISIL Ratings had revised the outlook on the ratings to ‘Stable’ from Negative driven by the improvement in collection efficiency [1](excluding foreclosures) resulting in the uptick in asset quality metrics being lower than previous expectations despite weak macro-economic environment. The outlook revision also factored in the improvement in fund raising of the company.

The overall ratings, continues to reflect the IIFL Finance group's diversified retail product offerings with majority of the portfolio towards inherently less risky asset classes, the extensive branch network and adequate capitalisation. These rating strengths are partially offset by limited seasoning of the loan portfolio.

As on March 31, 2021, 61% of the assets under management (AUM) is towards safer asset classes of gold loans and home loans; however, 14% of AUM is towards relatively riskier asset classes of unsecured business loans and real estate & developer finance. As on March 31, 2021, 5% of the AUM is towards unsecured business loans, wherein the company has seen inch up in delinquencies in fiscal 2021, with gross NPAs increasing to 10.9% as on March 31, 2021 from 5.2% as on March 31, 2020. While management has become cautious in lending towards this sector in the past few quarters, performance of this book over the next few quarters will be a monitorable. Further, around 10% of the AUM is towards real estate & developer finance, wherein borrowers are susceptible to an environment of prolonged liquidity tightness. IIFL Finance has provided temporary respite by extension of date of commencement of commercial operations (DCCO) for commercial real estate projects, which formed around 58% of the real estate & developer book as on March 31, 2021. Nevertheless, the management is planning to move the real estate book aggregating Rs 3,600 crore to an alternative investment fund (AIF) platform with investment by global marquee investors. While the detailed contours of the deal are yet to be closed, sale of the real estate book at a haircut could have an impact on the earnings profile of the company and will be a monitorable.

With gradual opening up of the economy, collection efficiency for the company has improved considerably to pre-pandemic levels from the lows of 30-35% in April 2020. On a segmental basis, for the month of March 2021, collection efficiency has improved to 98-100% for home loans, 85-90% for business loans, 90-95% for micro-finance segment and more than 100% in gold loans, indicating recoveries even from overdue accounts.

Gross non-performing assets (NPAs), on a reported basis, have improved to 2.14% as on March 31, 2020 from 2.31% as on March 31, 2020. Further, excluding the discontinued healthcare segment, gross NPAs stood at 1.98% as on March 31, 2021 (2.04% as on March 31, 2020). Even in terms of restructuring, IIFL Finance had implemented restructuring under Reserve Bank of India's (RBI) August 2020 Resolution Framework for COVID-19-related Stress and micro small and medium enterprises (MSME) restructuring scheme for accounts aggregating Rs 505 crore; 1.1% of AUM as on March 31, 2021 and was lower than earlier expectations. Additionally, RBI has extended the period for invocation for restructuring of the retail and MSME accounts till September 30, 2021 under its Resolution Framework - 2.0, implementation of the same will remain a monitorable. Going forward, with the onset of second wave of Covid-19 pandemic, ability of the company to manage collections and asset quality will remain a key monitorable.

On the resources front too, the company has been able to raise funds across instruments, supported partly by the various schemes announced by the Reserve Bank of India (RBI) and the Government of India (GoI). Further, there has been a significant pick-up in recent months with the company raising around Rs 23,792 crore in the fiscal 2021. Around 47% of this was in the form of securitisation/assignment of loans.

Adequate fund raising has also enabled IIFL Finance to grow its AUM in the last few quarters. Consequently, AUM grew by 18% year on year (YoY) to Rs 44,688 crore as on March 31, 2021 from Rs 37,951 crore a year ago; growth was higher than industry average during the period. With pickup in disbursements, especially towards higher yielding products like gold loans, there has been a substantial improvement in the earnings profile despite increased credit costs (2.4% for fiscal 2021; 1.1% for fiscal 2020) on account of write-offs and Covid-19 related provisions. IIFL Finance has reported return on managed assets (RoMA) of 1.6% for fiscal 2021, as against 1.2% for fiscal 2020. Nevertheless, ability to improve profitability from current levels will remain a monitorable.

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[1] Collection efficiencies have been calculated as the proportion of actual collections (from billings for the month and overdues but excluding prepayments) during the month to scheduled collections/ billings for the month (this takes into account the dues from the book assuming there was no moratorium).

Analytical Approach

CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home Finance Ltd (IIFL Home) and Samasta Microfinance Ltd (Samasta). This is because all these entities, collectively referred to as the IIFL Finance group, have significant operational, financial, and managerial integration and also operate under a common brand. Further, CRISIL Ratings has also factored in the business synergies that IIFL Finance group will have with IIFL Wealth Management Ltd and IIFL Securities Ltd, given their common promoters and the shared brand.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Diversified retail lending portfolio with an extensive branch network**

  The IIFL Finance group, having consolidated assets under management (AUM) of Rs 44,688 crore as on March 31, 2021 (Rs 37,951 crore as on March 31, 2020; Rs 34,904 crore as on March 31, 2019), is primarily engaged in secured lending across various retail asset classes. IIFL Finance has two lending subsidiaries, IIFL Home and Samasta, which carry out the mortgage finance and microfinance businesses, respectively.

  Retail loans accounted for almost 90% of the AUM as on March 31, 2021, with a high level of granularity (loans of less than Rs 1 crore). Also, more than 40% of the portfolio qualifies under priority sector lending. The group had identified four key segments - home loans, business loans (including loan against property {LAP} and lending to micro small and medium enterprises—MSME), gold loans and microfinance, as key growth drivers over the medium term. These four segments form around 89% of the AUM as on March 31, 2021, up from 61% as on March 31, 2016. The group has also been operating in two synergistic segments - construction & developer funding and capital market lending. A substantial part of developer funding book is proposed to be transferred to an alternative investment fund. Capital market lending will largely focus on the retail clients of IIFL Securities. In-line with the strategy to focus on select segments, the group discontinued medical equipment financing from fiscal 2018, and also sold its commercial vehicle (CV) finance portfolio in fiscal 2019.

  As of March 31, 2021, the IIFL Finance group had a wide network of 2,563 branches spread across 25 states. The group has invested substantially in technology to effectively benefit from its geographical reach. Going forward, the group plans to leverage business synergies with other IIFL entities for cross-selling of financial products (such as insurance and mutual funds) and retail loan products, given the already established branch and distribution platform.

  On a standalone level, IIFL Finance had an AUM of Rs 19,199 crore as on March 31, 2021 (Rs 16,057 crore as on March 31, 2020) primarily towards gold loans (68%), business loans (11%) and developer and construction finance (18%).

  IIFL Home had an AUM of Rs 20,694 crore as on March 31, 2021 (Rs 18,495 crore as on March 31, 2020) largely toward home loans (70%), followed by LAP (26%) and construction finance (4%).

  Samasta had an AUM of Rs 4796 crore as on March 31, 2021 (Rs 3,400 crore as on March 31, 2020).

- **Adequate capitalisation**
  The IIFL Finance group is adequately capitalised, with a consolidated networth of around Rs 5,393 crore as on March 31, 2021 (Rs 4,766 crore as on March 31, 2020). Networth coverage for net non-performing assets (NPAs) was comfortable at around 16 times as on March 31, 2021 (17 times as on March 31, 2020). On-book gearing as on same date was adequate at around 5.3 times; however, CRISIL Ratings–adjusted gearing (on-book borrowings + securitization/assignment) was higher at around 8.0 times. Nevertheless, the group has demonstrated its ability to raise capital from long-term marquee investors such as Fairfax and the CDC group (Rs 1000 crore raised from CDC in fiscal 2017). Also, the company has recently raised subordinated bonds to boost capitalization levels. Given the growth plans, capitalisation should remain adequate for the current scale of operations. However, the ability to raise capital and manage leverage levels over the medium term will be an important factor.

  As on March 31, 2021, IIFL Finance (standalone) had a net worth and CRISIL Ratings- adjusted gearing stood at Rs 3,821 crore and 5.5 times, respectively. It had a Tier-I capital adequacy ratio (CAR) and overall CAR of 17.5% and 25.4%, respectively, as on same date. Networth coverage for net NPAs was around 27 times.

  As on March 31, 2021, IIFL Home had a networth and CRISIL Ratings- adjusted gearing of Rs 2,164 crore and 8.6 times, respectively. Its Tier-I and overall CAR stood at 19.61% and 22.98%, respectively, as on same date. Networth coverage for net NPAs was around 12 times.

  As on March 31, 2021, Samasta's net worth and CRISIL Ratings-adjusted gearing stood at Rs 649 crore and 6.3 times, respectively. Tier-I and overall CAR were 15.1% and 18.5%, respectively, as on same date.

Weakness:

- **Limited seasoning of some of the asset classes like home loans and MSME loans**
  IIFL Finance group's loan portfolio (excluding CV finance) has recorded a three-year compound annual growth rate of around 18%. Given the scale up of the loan book in recent years and entry into newer segments, the portfolio remains unseasoned and hence, overall asset quality is yet to be tested through cycles. While certain products have a shorter tenure, and hence, have seen a complete cycle, home loans and MSME lending have limited seasoning so far. Home loans are long tenure products and MSME lending is a recent addition to the product suite. Reported gross NPAs and net NPAs stood at 2.14% and 0.97%, respectively, as on March 31, 2021 (2.31% and 0.97%, respectively, as on March 31, 2020). However, excluding the discontinued healthcare finance business, gross NPAs and Net NPAs stood at 1.98% and 0.89% as on March 31, 2021(2.04% and 0.82%, respectively, as on March 31, 2020). Also, while increasing focus on small-ticket retail loans will benefit the inherent asset quality over the medium term, ability to underwrite and maintain strong credit practices across asset classes, amid stiff competition from established players, remains to be seen.

  NPAs in the wholesale book declined, supported partly by write-offs, to 1.1% as on March 31, 2021, from 3.8% as on March 31, 2020. Nevertheless, the share of wholesale lending has come down over the past few years (10% of the overall AUM as on March 31, 2021). Further, IIFL Finance plans to transfer a significant proportion of the wholesale lending, primarily large ticket RE loans, to an AIF platform in the near term. Given the current macro environment, asset quality on exposures such as developer loans and large ticket LAP would be a key monitorable for all lenders, including IIFL Finance.

  While retail asset quality has remained under control in the past, it could witness an increase in delinquencies across segments post the onset of the second wave of Covid-19 which had impacted the cash flows of the underlying borrowers. Any sharp deterioration in asset quality, will also impact profitability and capital, and remains a key rating monitorable.

  Gross NPA of IIFL Finance (standalone), IIFL Home and Samasta stood at 2.4%, 2.0% and 1.8%, respectively, as on March 31, 2021 (3.1%, 1.6% and 1.5%, respectively, as on March 31, 2020).

Liquidity: Strong

The asset liability maturity (ALM) profile of IIFL Finance shows that liquidity position, on a consolidated basis, is adequate, with positive cumulative mismatches in most of the buckets up to one year as of March 2021. The housing finance business, however, has mismatches, given the relatively long tenure of its assets, vis-a-vis its borrowings. The mismatches are, nevertheless, efficiently managed, through unutilised bank lines. Commercial paper borrowings were nil as on March 31, 2021.

As on April 30, 2021, IIFL Finance (consolidated) had a liquidity cushion of Rs 2,144 crore (Rs 1,812 crore of cash and equivalents and Rs 332 crore of unutilized bank lines including securitization lines). Against this, it has total debt obligations of Rs 1,702 crore over the three months through August 2021. Further, the company has additional funding under pipeline aggregating ~Rs 3,500 crore in the current quarter.

The group has raised around Rs 23,793 crore in fiscal 2021, via NCDs (including retail issuances), bank funding and securitisation.

Outlook: Stable

CRISIL Ratings believe that IIFL Finance will maintain its diversified product offerings and adequate capitalisation levels. Also, CRISIL Ratings expects collection efficiency and thereby asset quality metrics to remain under control in the near to

medium term

Rating Sensitivity factors

Upward Factors:

- Significant improvement in market position while improving asset quality
- Improvement in profitability, with return on managed assets (RoMA) beyond 3.0% on a sustained basis

Downward Factors:

- Deterioration in the asset quality, with GNPA increasing to above 5% over an extended period, thereby impacting profitability
- Weakening of capitalisation metrics with higher than expected gearing on a sustained basis
- Continued funding access challenges for non-banking sector with limited fund-raising by IIFL Finance Group and reduction in liquidity levels
- Drop in collections metrics and delay in achieving pre-pandemic levels

About IIFL Home Finance

IIFL Home is a wholly owned subsidiary of India Infoline Finance and is registered with National Housing Bank (NHB) as a housing finance company (HFC). The company primarily offers low ticket home loans, LAP and corporate mortgage loans (lower ticket developer funding).

CRISIL has also analysed the standalone financials of IIFL Home. As of March 31, 2021, the company had an AUM of Rs 20,694 crore (Rs 18,495 crore as on March 31, 2021). The company had a networth of Rs 2,146 crore as on March 31, 2021 (Rs 1,800 crore as of March 31, 2020). It reported a total income (net of interest expense) of Rs 1,014 crore and profit after tax (PAT) of Rs 401 crore in fiscal 2021 (Rs 716 crore and Rs 245 crore, respectively, in fiscal 2020).

About IIFL Finance

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking non-banking financial company (NBFC). The group offers various retail lending products, including gold loans, home loans, LAP, business loans, microfinance and capital market based lending (margin funding and loans against shares). It also offers construction and developer finance.

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

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

As of March 31, 2021, promoters held 24.98% stake in IIFL Finance, while 29.86% is held by Prem Watsa controlled Fairfax Holdings and 15.46% by CDC Group PLC.

CRISIL Ratings has also analysed the standalone financials of IIFL Finance. The company reported a total income (net of interest expenses) and profit after tax (PAT) of Rs 1,881 crore and Rs 343 crore, respectively, in fiscal 2021, against Rs 1,385 crore and Rs 149 crore, respectively, in the previous fiscal.

IIFL Finance (consolidated) had total income (net of interest expenses) and PAT of Rs 3,364 crore and Rs 761 crore, respectively, in fiscal 2021 as against a total income (net of interest expenses) and PAT of Rs 2,521 crore and Rs 503 crore, respectively, in fiscal 2020.

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

As on / for the period ended		March 2021	March 2020
Total Assets	Rs crore	40,667	34341
Total income (net of interest expenses)	Rs crore	3,364	2,521
Profit after tax	Rs crore	761	503
Gross NPA	%	2.14	2.31
Return on managed assets	%	1.6	1.2
Gearing	Times	5.3	5.2
Adjusted gearing	Times	8.0	7.7

IIFL Home Finance (standalone; CRISIL Ratings adjusted numbers)

As on / for the period ended		March 2021	March 2020

Total income (net of interest expenses)	**Rs crore**	**1,014**	**716**
Profit after tax	**Rs crore**	**401**	**245**
Gross NPA	**%**	**2.0**	**1.6**
Adjusted gearing	**Times**	**8.6**	**9.9**

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Levels	Outstanding rating with Outlook
NA	Commercial Paper	NA	NA	7-365 days	5000	Simple	CRISIL A1+
INE477L07883	Debentures/Bonds	24-Jul-18	9.35%	26-Jul-21	219	Simple	CRISIL AA/Stable
INE477L07891	Debentures/Bonds	24-Jul-18	9.35%	15-Jul-21	24	Simple	CRISIL AA/Stable
INE477L07909	Debentures/Bonds	24-Jul-18	9.38%	24-Jan-22	50	Simple	CRISIL AA/Stable
INE477L07883	Debentures/Bonds	08-Aug-18	9.35%	26-Jul-21	16.06	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	29-Aug-18	9.35%	11-Aug-21	69	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	31-Aug-18	9.35%	11-Aug-21	5	Simple	CRISIL AA/Stable
INE477L07941	Debentures/Bonds	17-Sep-18	9.45%	04-Apr-22	24	Simple	CRISIL AA/Stable
INE477L07958	Debentures/Bonds	25-Sep-18	9.55%	29-Sep-22	58	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	12-Oct-18	10.20%	11-Aug-21	19.78	Simple	CRISIL AA/Stable
INE477L07966	Debentures/Bonds	12-Oct-18	10.20%	26-Oct-21	10	Simple	CRISIL AA/Stable
INE477L07982	Debentures/Bonds	20-Dec-18	10.33%	19-Dec-25	15	Simple	CRISIL AA/Stable
INE477L07AA6	Debentures/Bonds	20-Mar-19	10.05%	20-Mar-26	15	Simple	CRISIL AA/Stable
INE477L08121	Debentures/Bonds	13-Jul-18	9.85%	13-Jul-28	30	Simple	CRISIL AA/Stable
INE477L07917	Debentures/Bonds	29-Aug-18	9.35%	11-Aug-21	5	Simple	CRISIL AA/Stable
INE477L07AD0	Debentures/Bonds	03-Oct-19	9.18%	03-Oct-29	300	Simple	CRISIL AA/Stable
INE477L07AE8	Debentures/Bonds	19-Aug-20	8.00%	18-Feb-22	100	Simple	CRISIL AA/Stable
INE477L07AE8	Debentures/Bonds	19-Aug-20	8.00%	18-Feb-22	25	Simple	CRISIL AA/Stable
INE477L07AF5	Debentures/Bonds	12-Nov-20	8.69%	12-Nov-30	300	Simple	CRISIL AA/Stable
INE477L07AG3	Debentures/Bonds	11-Feb-21	8.60%	11-Feb-28	18	Simple	CRISIL AA/Stable
INE477L07AH1	Debentures/Bonds	12-Mar-21	8.62%	12-Mar-28	19	Simple	CRISIL AA/Stable
NA	Debentures/Bonds*	NA	NA	NA	758.14	Simple	CRISIL AA/Stable
INE477L07AI9	Debentures/Bonds	16-Apr-21	8.70%	16-Apr-29	36.019	Simple	CRISIL AA/Stable
INE477L07AJ7	Debentures/Bonds	14-May-21	8.70%	14-May-30	36	Simple	CRISIL AA/Stable
INE477L07933	Long Term Principal Protected Market Linked Debentures	06-Sep-18	9.35%	21-Apr-22	115	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L07990	Long Term Principal Protected	24-Jan-19	9.12%	25-Apr-24	30	Highly Complex	CRISIL PP-MLD AAr/Stable

	Market Linked Debentures						
INE477L07990	Long Term Principal Protected Market Linked Debentures	04-Feb-19	10.30%	25-Apr-24	20.19	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L07AB4	Long Term Principal Protected Market Linked Debentures	28-Mar-19	10.30%	27-Jun-24	20	Highly Complex	CRISIL PP-MLD AAr/Stable
NA	Long Term Principal Protected Market Linked Debentures*	NA	NA	NA	114.81	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L08139	Principal Protected Market Linked Non-Convertible Subordinated Debentures	14-Aug-18	9.40%	11-Aug-28	100	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L08139	Principal Protected Market Linked Non-Convertible Subordinated Debentures	11-Sep-18	9.40%	11-Aug-28	18.43	Highly Complex	CRISIL PP-MLD AAr/Stable
INE477L08139	Principal Protected Market Linked Non-Convertible Subordinated Debentures	28-Sep-18	9.40%	11-Aug-28	8.09	Highly Complex	CRISIL PP-MLD AAr/Stable
NA	Principal Protected Market Linked Non-Convertible Subordinated Debentures*	NA	NA	NA	73.48	Highly Complex	CRISIL PP-MLD AAr/Stable
NA	Term loan 1 (PNB - eOBC)	03-May-18	NA	03-May-23	165.97	NA	CRISIL AA/Stable
NA	Term loan 2 (BoI)	29-Jun-18	NA	29-Jun-23	166.62	NA	CRISIL AA/Stable
NA	Term loan 3 (RBL)	02-Nov-18	NA	01-May-21	100	NA	CRISIL AA/Stable
NA	Term loan 4 (PNB - eOBC)	19-Sep-18	NA	17-Sep-23	182.92	NA	CRISIL AA/Stable
NA	Term loan 5 (BoM)	26-Mar-19	NA	25-Mar-21	131.24	NA	CRISIL AA/Stable
NA	Term loan 6 (PNB - eUBI)	28-Mar-19	NA	27-Mar-24	200	NA	CRISIL AA/Stable
NA	Term loan 7 (BoI)	27-Dec-19	NA	26-Dec-25	500	NA	CRISIL AA/Stable
NA	Term Loan 8 (Union - eCorporation)	30-Dec-19	NA	30-Dec-24	79.87	NA	CRISIL AA/Stable
NA	Term Loan 9 (Canara - eSyndicate)	23-Sep-19	NA	23-Dec-26	278.57	NA	CRISIL AA/Stable
NA	Term Loan 10 (Canara - eSyndicate)	28-Aug-19	NA	27-May-23	171.43	NA	CRISIL AA/Stable
NA	Term loan 11 (P&SB)	31-Dec-19	NA	30-Dec-27	100	NA	CRISIL AA/Stable
NA	Term loan 12 (Axis Bank)	29-Jun-18	NA	29-Dec-21	33.33	NA	CRISIL AA/Stable
NA	Term loan 13 (PNB)	29-Jun-18	NA	25-Jun-23	62.08	NA	CRISIL AA/Stable
NA	Term loan 14 (SBI)	24-Sep-18	NA	23-Sep-23	750	NA	CRISIL AA/Stable

NA	Term loan 15 (Kotak)	26-Mar-18	NA	26-Mar-22	17.86	NA	CRISIL AA/Stable
NA	Term Loan 16 (CBI)	22-Dec-20	NA	31-Dec-30	250	NA	CRISIL AA/Stable
NA	Term Loan 17 (Indian - eAllahabad)	31-Mar-20	NA	31-Mar-25	70.8	NA	CRISIL AA/Stable
NA	Term Loan 18 (Canara)	12-Nov-20	NA	12-May-30	500	NA	CRISIL AA/Stable
NA	Term Loan 19 (Karnataka)	31-Dec-20	NA	30-Oct-23	100	NA	CRISIL AA/Stable
NA	Term Loan 20 (LIC Housing)	31-Oct-20	NA	01-Nov-30	400	NA	CRISIL AA/Stable
NA	Term Loan 21 (P&SB)	22-Mar-21	NA	22-Mar-28	200	NA	CRISIL AA/Stable
NA	Term Loan 22 (LIC Housing)	NA	NA	NA	500	NA	CRISIL AA/Stable
NA	Term Loan 23 (Indian)	NA	NA	NA	400	NA	CRISIL AA/Stable
NA	Cash Credit (IDFC FIRST)	NA	NA	NA	25	NA	CRISIL AA/Stable
NA	External Commercial Borrowings# (SBI)	27-Sep-18	NA	26-Sep-23	363.08	NA	CRISIL AA/Stable
NA	Proposed Long Term Bank Facility	NA	NA	NA	251.22	NA	CRISIL AA/Stable
NA	Non-Convertible Debentures^*	NA	NA	NA	5000	NA	CRISIL AA/Stable

#Equivalent to USD 50 million
^Interchangeable between secured and subordinated debt, and it is for Retail Bond Issuance
*Not yet issued

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
IIFL Finance Limited	Parent	IIFL Finance Limited
IIFL Home Finance Limited	Subsidiary	IIFL Home Finance Limited
Samasta Micro Finance Limited	Subsidiary	Samasta Micro Finance Limited
Clara Developers Private Limited	Subsidiary	Clara Developers Private Limited

Annexure - Rating History for last 3 Years

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	6000.0	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	26-06-20	CRISIL AA/Negative	20-08-19	CRISIL AA/Stable	28-12-18	CRISIL AA/Stable	--
			--		--	18-04-20	CRISIL AA/Stable		--	15-11-18	CRISIL AA/Stable	--
			--		--	18-03-20	CRISIL AA/Stable		--	03-09-18	CRISIL AA/Stable	--
			--		--	31-01-20	CRISIL AA/Stable		--	14-08-18	CRISIL AA/Stable	--
			--		--		--		--	13-08-18	CRISIL AA/Stable	--
			--		--		--		--	19-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	12-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	06-07-18	CRISIL AA/Watch Developing	--
Commercial Paper	ST	5000.0	CRISIL A1+	31-03-21	CRISIL A1+	26-06-20	CRISIL A1+	20-08-19	CRISIL A1+	28-12-18	CRISIL A1+	--
			--		--	18-04-20	CRISIL A1+		--	15-11-18	CRISIL A1+	--

			--		--	18-03-20	CRISIL A1+		--	03-09-18	CRISIL A1+	--
			--		--	31-01-20	CRISIL A1+		--	14-08-18	CRISIL A1+	--
			--		--		--		--	13-08-18	CRISIL A1+	--
			--		--		--		--	19-07-18	CRISIL A1+	--
			--		--		--		--	12-07-18	CRISIL A1+	--
			--		--		--		--	06-07-18	CRISIL A1+	--
			--		--		--		--	20-06-18	CRISIL A1+	--
Non Convertible Debentures	LT	7152.0	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	26-06-20	CRISIL AA/Negative	20-08-19	CRISIL AA/Stable	28-12-18	CRISIL AA/Stable	CRISIL AA/Stable
			--		--	18-04-20	CRISIL AA/Stable		--	15-11-18	CRISIL AA/Stable	--
			--		--	18-03-20	CRISIL AA/Stable		--	03-09-18	CRISIL AA/Stable	--
			--		--	31-01-20	CRISIL AA/Stable		--	14-08-18	CRISIL AA/Stable	--
			--		--		--		--	13-08-18	CRISIL AA/Stable	--
			--		--		--		--	19-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	12-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	06-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	20-06-18	CRISIL AA/Watch Developing	--
			--		--		--		--	10-05-18	CRISIL AA/Watch Developing	--
			--		--		--		--	09-02-18	CRISIL AA/Watch Developing	--
Short Term Debt (Including Commercial Paper)	ST		--		--		--		--	10-05-18	CRISIL A1+	CRISIL A1+
			--		--		--		--	09-02-18	CRISIL A1+	--
Subordinated Debt	LT		--		--	26-06-20	CRISIL AA/Negative	20-08-19	CRISIL AA/Stable	28-12-18	CRISIL AA/Stable	--
			--		--	18-04-20	CRISIL AA/Stable		--	15-11-18	CRISIL AA/Stable	--
			--		--	18-03-20	CRISIL AA/Stable		--	03-09-18	CRISIL AA/Stable	--
			--		--	31-01-20	CRISIL AA/Stable		--	14-08-18	CRISIL AA/Stable	--
			--		--		--		--	13-08-18	CRISIL AA/Stable	--
			--		--		--		--	19-07-18	CRISIL AA/Watch Developing	--
			--		--		--		--	12-07-18	CRISIL AA/Watch Developing	--
Long Term Principal Protected Market Linked Debentures	LT	300.0	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	26-06-20	CRISIL PPMLD AA r /Negative	20-08-19	CRISIL PPMLD AA r /Stable	28-12-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-04-20	CRISIL		--	15-11-18	CRISIL	--

							PPMLD AA r /Stable				PPMLD AA r /Stable	
			--		--	18-03-20	CRISIL PPMLD AA r /Stable		--	03-09-18	CRISIL PPMLD AA r /Stable	--
			--		--	31-01-20	CRISIL PPMLD AA r /Stable		--		--	--
Principal Protected Market Linked Non-Convertible Subordinated Debentures	LT	200.0	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	26-06-20	CRISIL PPMLD AA r /Negative	20-08-19	CRISIL PPMLD AA r /Stable	28-12-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-04-20	CRISIL PPMLD AA r /Stable		--	15-11-18	CRISIL PPMLD AA r /Stable	--
			--		--	18-03-20	CRISIL PPMLD AA r /Stable		--	03-09-18	CRISIL PPMLD AA r /Stable	--
			--		--	31-01-20	CRISIL PPMLD AA r /Stable		--	14-08-18	CRISIL PPMLD AA r /Stable	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Cash Credit	**25**	**CRISIL AA/Stable**	**Cash Credit**	**25**	**CRISIL AA/Stable**
External Commercial Borrowings	**363.08**	**CRISIL AA/Stable**	**External Commercial Borrowings**	**363.08**	**CRISIL AA/Stable**
Proposed Long Term Bank Loan Facility	**251.22**	**CRISIL AA/Stable**	**Proposed Long Term Bank Loan Facility**	**251.22**	**CRISIL AA/Stable**
Term Loan	**5360.7**	**CRISIL AA/Stable**	**Term Loan**	**5360.7**	**CRISIL AA/Stable**
Total	**6000**	**-**	**Total**	**6000**	**-**

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation
CRISILs Bank Loan Ratings

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ANNEXURE B

CREDIT RATING LETTER AND RATING RATIONALE FROM BRICKWORK

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Brickwork Ratings India Pvt. Ltd.
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Bannerghatta Road, Bengaluru - 560 076
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BWR/NCD/HO/CRC/HS/0341/2021-22 **26 November 2021**

Mr. Govind Modani
Treasurer
IIFL Home Finance Limited
802, 8th Floor, Hubtown Solaris, Prof. N.S.Phadke Road, Vijay Nagar,
Andheri (East), Mumbai – 400069

Dear Sir,

Sub: Revalidation of Rating Letter – Non-Convertible Debenture (NCDs) Public Issue of Rs.5,000 Crs (Rupees Five Thousand Crores Only).

Ref: Your email dated 16 November 2021 requesting rating revalidation, BWR earlier rating letter BWR/NCD/MUM/CRC/RAM/0089/2021-22 dated 11 June 2021

With reference to your email dated 16 November 2021, Brickwork Ratings wishes to inform you that NCDs public Issues of IIFL Home Finance Limited of Rs. 5000 Crs carries a rating of BWR AA+/Negative (Pronounced as BWR Double A Plus outlook Negative) as communicated vide our rating letter BWR/NCD/MUM/CRC/RAM/0089/2021-22 dated 11 June 2021. The said public issue is a retail issue interchangeable between secured and subordinated NCDs. Please refer to BWR website www.brickworkratings.com for definition of the rating assigned..

The Rating is subject to the following:
1. You are required to ensure strict compliance with relevant guidelines/instructions issued by RBI in regard to the issue of NCD public issue.

2. The Rating assigned is valid for issuance of NCD public issue subject to terms and conditions that were agreed in your mandate and other correspondence, if any and Brickwork Ratings standard disclaimer appended below.

3. This letter is valid for one year from the date of the earlier rating letter (BWR/NCD/MUM/CRC/RAM/0089/2021-22 dated 11 June 2021) for the issuance of NCDs. Validation of this rating letter may be extended from time to time up to a maximum of 12 months from the date of our earlier letter, subject to review.

4. You have confirmed to us that as on date: 16 November 2021, out of the rated amount of Rs.5,000 Crs of NCDs (Public issue) the outstanding amount is Rs. 655.82 Crs.

5. The NCD rating is valid only for the public issue and subject to all other applicable regulatory guidelines. BWR does not assume any responsibility on its part, for any liability that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of NCDs.

Brickwork Ratings India Pvt. Ltd.
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IIFL Home Finance Limited

6. Brickwork would conduct surveillance during the life of the instrument and would need all significant information that may affect the company's finances without any delay.

The Rating is subject to completion and submission of the following documents to Brickwork Ratings:

Executed transaction documents that include the terms in line with the indicative terms provided by the company to Brickwork Ratings.

Kindly Acknowledge.

Best Regards,

Hemant Sagare
Associate Director - Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

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BWR/NCD/MUM/CRC/RAM/0089/2021-22 **11 June 2021**

Mr. Govind Modani,
Treasurer
IIFL Home Finance Limited
802, 8th Floor, Hubtown Solaris,
Prof. N. S. Phadke Road, Vijay Nagar,
Andheri - East, Mumbai - 400069

Dear Sir,

Sub: Assignment of rating to **IIFL Home Finance Limited's** NCDs of Rs.5,000 Crs (Rupees Five Thousand Crores Only) and review of rating of various NCDs amounting to Rs.360 Crs (Rupees Three Hundred and Sixty Crores Only)

Thank you for giving us an opportunity to undertake the rating of proposed NCD issuance of Rs.5,000 Crs. On review of **IIFL Home Finance Limited's** performance based on the information and clarifications provided by your Company as well as information available in the public sources, we inform you that the rating of IIFL Home Finance Limited's various debt instruments is as mentioned in the table below:

Instrument**	Amount (Rs Crs)		Tenure	Rating*	
	Previous	Present		Previous (06 April 2021)	Present
Non-convertible Debentures^	--	5,000	Long Term	--	BWR AA+/ Negative (Assigned)
Unsecured Subordinated Non-convertible Debentures	100.00	100.00	Long Term	BWR AA+/ Negative	BWR AA+/ Negative (Reaffirmed)
Subordinated Non-convertible Debentures	235.00	235.00			
Secured Non-convertible Debentures	25.00	25.00			
Total	**360.00**	**5,360.00**	**Rupees Five Thousand Three Hundred Sixty Crores Only**		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
** ISIN details of NCDs are provided in Annexure-I

^ Public Issue (Retail); Interchangeable between secured & subordinated NCDs

Instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Rating letter validity is twelve months from the date of this letter and is subject to terms and conditions that were agreed in your mandate dated 14 Mar 2019, BWR letter BWR/NCD/MUM/CRC/RAM/0627/2020-21 dated 31 March 2021 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended below. Brickwork would conduct surveillance every year till maturity/ redemption of the instruments. You are required to submit information for the purpose of surveillance/review. Please note that Brickwork Ratings would need to be kept informed of any significant information/ development that may affect your Company's finances/ performance without any delay. You are also requested to provide No Default Statement on a monthly basis.

Brickwork Ratings India Pvt. Ltd.
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Please acknowledge.

Best Regards,

Ramya Muraledharan
Director - Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

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Brickwork Ratings India Pvt. Ltd.
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IIFL Home Finance Limited

ANNEXURE I - INSTRUMENT (ISIN) DETAILS

Instrument	Issue Date	Amount Raised in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
Subordinated NCD	21-Jan-16	10.00	9.30%	25-Jan-22	INE477L08055
Subordinated NCD	12-Feb-16	10.00	9.30%	11-Feb-22	INE477L08063
Subordinated NCD	30-May-16	15.00	9.30%	29-May-23	INE477L08071
Subordinated NCD	27-Jul-17	75.00	8.85%	27-Jul-27	INE477L08089
Subordinated NCD	27-Jul-17	100.00	8.93%	14-Apr-23	INE477L08097
Subordinated NCD	28-Feb-18	10.00	9.05%	28-Feb-28	INE477L08105
Subordinated NCD	18-Jun-18	40.00	9.85%	16-Jun-28	INE477L08113
Subordinated NCD	13-Jul-18	20.00	9.85%	13-Jul-28	INE477L08121
Subordinated NCD	13-Jul-18	10.00	9.85%	13-Jul-28	INE477L08121
Secured NCD	20-Mar-19	15.00	10.05%	20-Mar-26	INE477L07AA6
Proposed NCD	-	5,055.00	Yet to be raised		
Total		**5,360.00**			

RATING RATIONALE

11 June 2021

IIFL Home Finance Limited

Brickwork Ratings assigns rating to proposed NCDs of Rs.5,000 Crs and reaffirms ratings of existing Non-Convertible Debentures of IIFL Home Finance Limited.

Particulars:

Instrument**	Amount (Rs Crs)		Tenure	Rating*	
	Previous	Present		Previous (06 April 2021)	Present
Non-convertible Debentures - Proposed ^	--	**5,000.00**	Long Term	--	**BWR AA+/ Negative (Assigned)**
Unsecured Subordinated Non-convertible Debentures	100.00	**100.00**	Long Term	BWR AA+/ Negative	**BWR AA+/ Negative (Reaffirmed)**
Subordinated Non-convertible Debentures	235.00	**235.00**			
Secured Non-convertible Debentures	25.00	**25.00**			
Total	360.00	**5,360.00**	**Rupees Five Thousand Three Hundred Sixty Crores Only**		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
** Details of NCDs are provided in Annexure-I
^ Public Issue; Interchangeable between secured and subordinated debt

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) assigns BWR AA+/Negative to the proposed non-convertible debentures (NCDs) of Rs.5,000 Crs, and reaffirms the rating of existing NCDs of IIFL Home Finance Limited (IIHFL or the company) at BWR AA+/Negative, as tabulated above. The rating continues to factor in the IIFL Finance group's diversified presence in the retail financing space, qualified and experienced management team, adequate capitalisation and diversified resource mix. The rating is, however, constrained by the limited seasoning of the group's loan portfolio, particularly in the home loan and business loan segments, and the average asset quality. The continuation of the Negative outlook is on account of the expectation of continued pressure on the asset quality, specifically in the micro small and medium enterprise (MSME) and real estate segments, which comprise about 26% of the portfolio as on 31 March, 2021. Also, given the growth in the Home Loan and MSME segments (CAGR of 29.73% and 73.44%, respectively, over the past 2 years) and limited seasoning of this book, the impact of the second wave of Covid-19 on these segments is yet to be seen. BWR shall continue to monitor the delinquency levels and asset quality of the portfolio.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has taken a consolidated view on IIFL Finance Limited (IIFL Finance) and its subsidiaries IIFL Home Finance Limited and Samasta Microfinance Limited (collectively referred to as the lending arm of the IIFL Finance group) on account of these entities having strong operational, financial and managerial linkages. The rating also factors in the synergies the IIFL Finance Group derives from IIFL Wealth Management Limited and IIFL Securities Limited, given the common promoters and shared brand name. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

KEY RATING DRIVERS

Credit Strengths:

Diversified business profile:

IIFL Finance Ltd is a retail focused diversified NBFC in India, engaged in the business of loans and mortgages along with its subsidiaries - IIFL Home Finance Limited and Samasta Microfinance Limited. The company has classified home loans, LAP, MSME business loans, gold loans and microfinance loans, as the core growth segment, accounting for about 89% of the AUM as on 31 March 2021. Additionally, the company also offers other products such as construction and real estate finance and capital market lending.

The assets under management (AUM) grew by 17.7% year-on-year, to Rs.44,688 Crs as on 31 March 2021, from Rs.37,951 Crs as on the previous year-end. The growth in AUM is mainly attributable to the growth in the gold loan segment and MFI segments, which grew by 44% and 39%, respectively during FY21.

In terms of composition of the AUM as on 31 March 2021, home loans constituted 32.31%, followed by gold loans at 29.42%, business loans (including loan against property) at 12.17%, MFI loans at 10.60%, and developer finance loans at 9.48%; the rest were loans to the capital market segment. The assigned loan book, of Rs.11,076 Cr constituted 25% of the AUM as on 31 March 2021. IIFL Finance also benefits from the synergies it derives from IIFL Wealth Management Limited and IIFL Securities Limited, given the common promoters and shared brand name.

Diversified resource mix: IIFL Finance has a diversified resource profile and has demonstrated its ability to raise funds through various sources. The company was able to raise long-term funds of Rs 21,512 Crs in FY21, of which around 52% was through the securitisation/assignment route, while 37% was in the form of term loans/refinance from National Housing Bank (NHB) and 11% in the form of NCDs/bonds.

As on March 31, 2021, the consolidated borrowings stood at Rs.28,426 Crs, as against Rs.25,734 Crs as on the previous year-end. Of the total borrowings as on 31 March 2021, 53% was in the form of term loans, 37% in the form of non-convertible debentures, and 10% was in the form of refinance. IIFL Finance relies on Assignment and Securitisation as one of the key sources to raise funds, since 90% of the loans as on 31 March 2021 are retail in nature and around 36% are PSL compliant. As on 31 March 2021, the company had raised Rs.14,904 Crs through this route.

Adequate capitalisation: IIFL Finance is adequately capitalised, with the consolidated net worth and gearing of Rs 5,393 Crs and 5.98 times, respectively, as on 31 March 2021; the same improved from Rs 4,766 Crs and 5.66 times, respectively, as on 31 March 2020.
The capital adequacy ratio of IIFL Finance Ltd. (standalone), IIFL Home Finance Ltd. and Samasta Microfinance Ltd. stood at 25.4%, 23.2% and 18.5%, respectively, as on 31 March 2021, as against the regulatory requirement of 15%. Tier I CAR for IIFL Finance Ltd stood at 17.5% as on 31 March 2021, as against the regulatory requirement of 10%. The capital adequacy ratios improved as the company raised Rs.670 Crs through sub debt in FY21.

On a standalone basis, IIHFL's net worth and gearing stood at Rs.2,146 Crs and 6.06 times as on 31 March 2021 (Rs 1,800 Crs and 6.63 times respectively as on 31 March 2020).

Experienced management and strong ownership: IIFL Finance Group is led by a qualified and experienced management team with strong experience in the financial services domain. The board consists of Mr. Nirmal Jain (the founder of IIFL Group and chairman of IIFL Finance), Mr. R. Venkataraman (co-founder and Managing Director of IIFL Finance) and other independent directors. IIFL Finance is a listed company in which promoters held 24.98%, the Fairfax group held 29.86%, CDC Group PLC held 15.46% and foreign investors held 14.97% as on 31 March 2021.

Credit Risks:
Limited loan seasoning: IIFL Finance's AUM has largely grown in the last three to four years. IIFL Finance's AUM grew from Rs 22,281 Crs as on 31 March 2017 to Rs 44,688 Crs as on 31 March 2021. Home loans, having a tenor of about 20 years, and business loans, with tenor of upto 12 years, constituted ~45% of the total AUM as on 31 March 2021. The company's portfolio has limited seasoning, especially in the home loan and LAP segments.

Average asset quality: IIFL Finance witnessed some asset quality pressure in FY20, which has continued in the next fiscal largely due to the looming of the COVID-19 pandemic. The consolidated gross NPA increased from 1.96% as on 31 March 2019 to 2.31% as on 31 March 2020, coming down marginally to 2.14% as on 31 March 2021, largely due to write-offs. During FY21, slippages were mainly on account of Business and MFI loans.
Provision Coverage Ratio (PCR) for Stage-3 assets at a consolidated level stood at 54.9%. The overall PCR as a percentage of the total loan book stood at 3.89% as on 31 March, 2021. Any incremental slippages from Stage 2 to Stage 3 shall be a key monitorable.
Segment-wise GNPA percentages have deteriorated on a year-on-year basis. GNPA for business loans, home loans and MFI loans stood at 5.7%, 1.5% and 1.8%, respectively, as on 31 March 2021, as against 2.0%, 1.1% and <1% respectively, as on the previous-year end.

About 75% of the home loans are for affordable residential projects, with an average ticket size of Rs.17.3 lakhs. Furthermore, as the asset quality of the real estate segment is more susceptible to the economic slowdown as a result of the COVID-19 pandemic, the performance of this segment is a key monitorable. BWR expects the asset quality pressures to continue for next few quarters due to the impact of COVID-19 pandemic on the company's borrowers.

IIFL Finance's ability to improve collections, control slippages and manage asset quality will be a key rating monitorable.
IIFL Finance is in the process of transferring substantial part of its Construction & Real Estate loan assets to an Alternative Investment Fund. As per the communication from the company, IIFL Finance will continue to own at least a third of the AIF's units. The AIF has a target fund size of Rs.3,600 Crs and has completed the transfer of one tranche of Rs.1,200 Crs to Credit Opportunities III PTE. Ltd, a fund managed by Ares SSG Capital Management. The transfer of the second tranche of Rs.1,200 Crs is under process.

RATING SENSITIVITIES
Going forward, the company's ability to improve its asset quality, steadily grow its portfolio and maintain a prudent capital structure will be key rating sensitivity factors.

Positive: An improvement in asset quality and collection efficiency, along with the company's ability to steadily grow its AUM with a sustained improvement in profitability are key rating positives.
Negative: A deterioration in asset quality, thereby impacting profitability, or reduction in liquidity levels, increase in gearing or challenges in raising funds at competitive rates are key rating negatives.

LIQUIDITY POSITION: ADEQUATE
As per IIFL Finance's asset liability maturity (ALM) profile as on 31 March 2021, there are no negative cumulative mismatches on a consolidated basis. The company has reduced its dependence on commercial paper borrowings and has been able to raise long-term funding in the form of term loans/NCDs and securitisation.

IIFL Home Finance Ltd. has scheduled debt repayment obligations of Rs.3,830 Crs for the next 1 year, from May, 2021 to April, 2022. At a standalone level, IIFL Home Finance Ltd. has liquidity to the extent of Rs.648 Crs, as on 30 April 2021, including cash & cash equivalents, fixed deposits and unutilised bank lines. Additionally, the company has average monthly collections of Rs.475 Crs.
On a consolidated basis, the group has scheduled debt repayment obligations of Rs.8,266 Crs, from May, 2021 to April, 2022, against which it has adequate liquidity of Rs.2,144 Crs as on 30 April, 2021, in the form of cash/FDs/ unutilised cash credit lines. The consolidated average monthly collections are Rs.3,500 Crs.

COMPANY PROFILE - IIFL Finance
IIFL Finance is a listed company in which promoters held 24.98%, the Fairfax group held 29.86%, CDC Group PLC held 15.46% and foreign investors held 14.97% as on 31 March 2021. IIFL Finance (erstwhile IIFL Holdings Limited) was the holding company for the entire IIFL group. The group had subsequently reorganised its corporate structure, wherein the Securities Business Undertaking and Wealth Business Undertaking of IIFL Holdings Limited were demerged into IIFL Securities Limited and IIFL Wealth Management Limited, respectively. IIFL Holdings Limited was renamed IIFL Finance Limited and now is the holding company for the

lending businesses of the IIFL group. IIFL Finance is a retail-focused NBFC with a diversified loan book and offers products such as home loans, gold loans, microfinance, MSME business loans, LAP, construction finance and capital market finance. IIFL Finance has two key operating subsidiaries, IIFL Home Finance Ltd (in which it holds 100%) and Samasta Microfinance Ltd (in which IIFL Finance along with its subsidiary IIFL Home Finance Ltd holds 99.09%). The IIFL Finance group has a widespread branch network, with 2563 branches spread across 25 states, of which ~83% branches are in Tier-II and Tier-III cities and rural areas.

COMPANY PROFILE - IIHFL

IIFL Home Finance Ltd [erstwhile India Infoline Housing Finance Ltd (IIHFL)] was incorporated in 2006 and is registered with NHB. IIHFL primarily offers financial products such as home loans, LAP and project loans.

KEY FINANCIAL INDICATORS (IIFL Finance Limited - Consolidated)

Key Parameters	Units	FY19	FY20	FY21
Result Type		**Audited**	**Audited**	**Audited**
Total income	(in Rs Crs)	5,085	4,820	5,989
Net profit	(in Rs Crs)	796	503	761
Networth	(in Rs Crs)	4,359	4,766	5,393
Gearing	(in times)	6.08	5.66	5.98
Total AUM	(in Rs Crs)	34,903	37,951	44,688
Gross NPA	(%)	1.96	2.31	2.15
Net NPA	(%)	0.63	0.97	0.97

KEY FINANCIAL INDICATORS (IIFL Home Finance Ltd)

Key Parameters	Units	FY19	FY20	FY21
Result Type		**Audited**	**Audited**	**Audited**
Total income	(in Rs Crs)	1,828	1,775	2,068
Net profit	(in Rs Crs)	306	245	401
Networth	(in Rs Crs)	1,597	1,800	2,146
Gearing	(in times)	7.50	6.63	6.06
Total capital adequacy ratio	(%)	21.02	23.71	23.20
Total AUM	(in Rs Crs)	18,158	18,495	20,694
Gross NPA	(%)	0.88	1.60	1.96
Net NPA	(%)	0.67	1.22	1.23

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (Including withdrawal & suspended)

Sr. No.	Name of Instrument	Current Rating (2021)			Rating History for the past 3 years											
		Type	Amt (Crs)	Rating	2021			2020			2019			2018		
1	Secured NCDs	Long Term	25	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	25	BWR AA+/ Negative	Long Term	25	BWR AA+/ Negative	Long Term	25	BWR AA+/ Stable	NA		
2	Unsecured Subordinated NCDs	Long Term	100	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	100	BWR AA+/ Negative	Long Term	100	BWR AA+/ Negative	Long Term	100	BWR AA+/ Stable	Long Term	100	BWR AA+/ Stable
3	Unsecured Subordinated NCDs	Long Term	200	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	200	BWR AA+/ Negative	Long Term	200	BWR AA+/ Negative	Long Term	200	BWR AA+/ Stable	Long Term	200	BWR AA+/ Stable
4	Subordinated NCDs	Long Term	35	BWR AA+ Negative	06.04.2021			30.03.2020			20.03.2019			21.06.2018		
					Long Term	35	BWR AA+/ Negative	Long Term	35	BWR AA+/ Negative	Long Term	35	BWR AA+/ Stable	Long Term	35	BWR AA+/ Stable
5	NCDs	Long Term	5,000	BWR AA+ Negative	-			-			-			-		
	Total		**5,360**	**Rupees Five Thousand Three Hundred Sixty Crores Only**												

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Banks & Financial Institutions**
- **Consolidation of Companies**

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1-860-425-2742	**media@brickworkratings.com**

IIFL Home Finance Limited

ANNEXURE I

INSTRUMENT (NCD/Bonds) DETAILS

Instrument	Issue Date	Amount Raised in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
Subordinated NCD	21-Jan-16	10.00	9.30%	25-Jan-22	INE477L08055
Subordinated NCD	12-Feb-16	10.00	9.30%	11-Feb-22	INE477L08063
Subordinated NCD	30-May-16	15.00	9.30%	29-May-23	INE477L08071
Subordinated NCD	27-Jul-17	75.00	8.85%	27-Jul-27	INE477L08089
Subordinated NCD	27-Jul-17	100.00	8.93%	14-Apr-23	INE477L08097
Subordinated NCD	28-Feb-18	10.00	9.05%	28-Feb-28	INE477L08105
Subordinated NCD	18-Jun-18	40.00	9.85%	16-Jun-28	INE477L08113
Subordinated NCD	13-Jul-18	20.00	9.85%	13-Jul-28	INE477L08121
Subordinated NCD	13-Jul-18	10.00	9.85%	13-Jul-28	INE477L08121
Secured NCD	20-Mar-19	15.00	10.05%	20-Mar-26	INE477L07AA6
Total		**305.00**			

*Of the overall rated NCDs of Rs. 5,360 Crs, Rs. 5,055 Crs are yet to be raised

ANNEXURE II

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
IIFL Home Finance Ltd	100%	Full Consolidation	Subsidiary
Samasta Microfinance Ltd	99.09% #	Full Consolidation	Subsidiary

held by IIFL Finance along with its subsidiary IIFL Home Finance Ltd.

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ANNEXURE C

DEBENTURE TRUSTEE CONSENT LETTER

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CATALYST
Believe in yourself... Trust us!

CL/MUM/21-22/DEB/104

May 28, 2021

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

Dear Ma'am/Sir

Sub: Proposed public issue of rated secured redeemable non-convertible debentures and/or rated unsecured subordinated redeemable non-convertible debentures ("NCDs") aggregating up to ₹ 50,000 Million ("Issue") of IIFL Home Finance Limited ("Company") in one or more tranches. The Unsecured NCDs will be in the nature of subordinated debt and shall be eligible for TIER II Capital.

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and/or The National Stock Exchange of India Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus and respective Tranche Prospectus(es) to be filed with the Registrar of Companies, Mumbai ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited
Address:	'GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038, Maharashtra
Tel:	022 4922 0555
Fax:	022 4922 0505
E-mail:	ComplianceCTL-Mumbai@ctltrustee.com
Website:	www.catalysttrustee.com
Contact Person:	Mr. Umesh Salvi
SEBI Registration No:	IND000000034
Compliance Officer:	Ms. Rakhi Kulkarni
CIN:	U74999PN1997PLC110262

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

CATALYST TRUSTEESHIP LIMITED

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 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

For Catalyst Trusteeship Limited

CATALYST TRUSTEESHIP LIMITED

Authorised Signatory
Name: Deesha Srikkanth
Designation: Vice President

CC:

EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House, Off CST Road,
Kalina, Mumbai - 400 098,
Maharashtra, India

IIFL SECURITIES LIMITED
10th Floor, IIFL Centre, Kamala Centre,
Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400 013,
Maharashtra, India

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Maharashtra, India

ICICI SECURITIES LIMITED
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India

EQUIRUS CAPITAL PRIVATE LIMITED
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai - 400 013,
Maharashtra, India

KHAITAN & CO LLP
One World Centre, 13th Floor, Tower 1,
Senapati Bapat Marg, Mumbai - 400 013,
Maharashtra, India

Annexure A

प्रारूप ख
FORM-B

डिबेंचर न्यासी

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000258

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

CATALYST TRUSTEESHIP LIMITED
GDA HOUSE, PLOT NO. 85,
BHUSARI COLONY (RIGHT), PAUD ROAD
PUNE – 411 038
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000034**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**
तारीख Date : **JULY 29, 2016**

M J Sonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

CATALYST TRUSTEESHIP LIMITED

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

1.	Registration Number	IND000000034
2.	Date of registration/ Renewal of registration	July 29, 2016
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6.	Any enquiry/ investigation being conducted by SEBI	NIL
7.	Details of any penalty imposed by SEBI	NIL

Sincerely

For Catalyst Trusteeship Limited

CATALYST TRUSTEESHIP LIMITED

Authorised Signatory
Name: Deesha Srikkanth
Designation: Vice President

CL/MUM/21-22/DEB/104/1

November 29, 2021

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

Dear Ma'am/Sir

Sub: Proposed Public issue of Secured Redeemable Non-Convertible Debentures of face value of ₹ 1000 Each ("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 II Issue Limit") ("Tranche II Issue") which is within the shelf limit of ₹ 50,000 Million by IIFL Home 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 in the Tranche II Prospectus to be filed with the BSE Limited and The National Stock Exchange of India Limited ("**Stock Exchanges**") and with the Registrar of Companies, Mumbai ("**RoC**"), and in all related advertisements and communications sent in connection with the Issue. The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited
Address:	'GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038, Maharashtra
Tel:	022 4922 0555
Fax:	022 4922 0505
Email:	ComplianceCTL-Mumbai@ctltrustee.com
Website:	www.catalysttrustee.com
Contact Person:	Mr. Umesh Salvi
SEBI Registration No:	IND000000034
Logo:	CATALYST *Believe in yourself... Trust us!*

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

CATALYST TRUSTEESHIP LIMITED ★

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED) An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (22) 4922 0555 **Fax** +91 (22) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 **Tel** +91 (20) 66807200
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 **Tel** +91 (11) 430 29101/02.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

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

This letter may be relied upon by the Company, the Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely

For Catalyst Trusteeship Limited

Authorised Signatory
Name: Pankaj Kumar Rohilla
Designation: Manager

CC:

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098
Maharashtra, India

IIFL Securities Limited
10th Floor, IIFL Centre,
Kamala Centre, Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex, N.M. Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India

Khaitan & Co
One World Centre
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED) An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (22) 4922 0555 **Fax** +91 (22) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 **Tel** +91 (20) 66807200
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 **Tel** +91 (11) 430 29101/02.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

Annexure A

प्रपत्र ख
FORM-B

डिबेंचर न्यासी | DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000258

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

CATALYST TRUSTEESHIP LIMITED
GDA HOUSE, PLOT NO. 85,
BHUSARI COLONY (RIGHT), PAUD ROAD
PUNE – 411 038
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000034**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**
तारीख Date : **JULY 29, 2016**

MJSonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

CATALYST TRUSTEESHIP LIMITED

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)
An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (22) 4922 0555 **Fax** +91 (22) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 **Tel** +91 (20) 66807200
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 **Tel** +91 (11) 430 29101/02.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

1.	Registration Number	IND000000034
2.	Date of registration/ Renewal of registration	July 29, 2016
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6.	Any enquiry/ investigation being conducted by SEBI	NIL
7.	Details of any penalty imposed by SEBI	NIL

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)
An ISO:9001 Company
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 **Tel** +91 (22) 4922 0555 **Fax** +91 (22) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 **Tel** +91 (20) 66807200
Delhi Office Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 **Tel** +91 (11) 430 29101/02.
CIN No. U74999PN1997PLC110262 **Email** dt@ctltrustee.com **Website** www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

ANNEXURE D

ILLUSTRATIVE CASHFLOW AND DAY COUNT CONVENTION

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Tranche II Issue.

Series I

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022
Tenor	36 months	36 months
Coupon Rate for all Categories	8.25%	8.50%
Redemption Date/Maturity Date	Friday, 3 January, 2025	Friday, 3 January, 2025
Frequency of the interest payment with specified dates	First Interest on January 3, 2023 and subsequently on January 3 every year	First Interest on January 3, 2023 and subsequently on January 3 every year
Day Count Convention	Actual / Actual	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000	-1,000
1st Coupon	Tuesday, 3 January, 2023	Tuesday, 3 January, 2023	365	82.5	85.0
2nd Coupon	Wednesday, 3 January, 2024	Wednesday, 3 January, 2024	365	82.5	85.0
3rd Coupon	Friday, 3 January, 2025	Friday, 3 January, 2025	366	82.5	85.0
Principal / Maturity Value	Friday, 3 January, 2025	Friday, 3 January, 2025		1,000	1,000

Series II

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022
Tenor	36 months	36 months
Coupon Rate for all Categories	NA	NA
Redemption Date/Maturity Date	Friday, 3 January, 2025	Friday, 3 January, 2025
Frequency of the interest payment with specified dates	Cumulative	Cumulative
Day Count Convention	Actual / Actual	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000.00	-1,000.00
Coupon/ Interest and Principal Payment	Friday, 3 January, 2025	Friday, 3 January, 2025	1096	1,268.80	1,277.60

Series III

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022

	Pre Incentive	Post Incentive
Tenor	60 months	60 months
Coupon Rate for all Categories	8.20%	8.45%
Redemption Date/Maturity Date	Sunday, 3 January, 2027	Sunday, 3 January, 2027
Frequency of the interest payment with specified dates	First interest on February 1,2022 and subsequently on the 1st day of every month.	First interest on February 1,2022 and subsequently on the 1st day of every month.
Day Count Convention	Actual / Actual	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000	-1,000
1st Coupon	Tuesday, 1 February, 2022	Tuesday, 1 February, 2022	29	6.52	6.71
2nd Coupon	Tuesday, 1 March, 2022	Tuesday, 1 March, 2022	28	6.29	6.48
3rd Coupon	Friday, 1 April, 2022	Friday, 1 April, 2022	31	6.96	7.18
4th Coupon	Sunday, 1 May, 2022	Monday, 2 May, 2022	30	6.74	6.95
5th Coupon	Wednesday, 1 June, 2022	Wednesday, 1 June, 2022	31	6.96	7.18
6th Coupon	Friday, 1 July, 2022	Friday, 1 July, 2022	30	6.74	6.95
7th Coupon	Monday, 1 August, 2022	Monday, 1 August, 2022	31	6.96	7.18
8th Coupon	Thursday, 1 September, 2022	Thursday, 1 September, 2022	31	6.96	7.18
9th Coupon	Saturday, 1 October, 2022	Monday, 3 October, 2022	30	6.74	6.95
10th Coupon	Tuesday, 1 November, 2022	Tuesday, 1 November, 2022	31	6.96	7.18
11th Coupon	Thursday, 1 December, 2022	Thursday, 1 December, 2022	30	6.74	6.95
12th Coupon	Sunday, 1 January, 2023	Monday, 2 January, 2023	31	6.96	7.18
13th Coupon	Wednesday, 1 February, 2023	Wednesday, 1 February, 2023	31	6.96	7.18
14th Coupon	Wednesday, 1 March, 2023	Wednesday, 1 March, 2023	28	6.29	6.48
15th Coupon	Saturday, 1 April, 2023	Monday, 3 April, 2023	31	6.96	7.18
16th Coupon	Monday, 1 May, 2023	Tuesday, 2 May, 2023	30	6.72	6.93
17th Coupon	Thursday, 1 June, 2023	Thursday, 1 June, 2023	31	6.95	7.16
18th Coupon	Saturday, 1 July, 2023	Monday, 3 July, 2023	30	6.72	6.93
19th Coupon	Tuesday, 1 August, 2023	Tuesday, 1 August, 2023	31	6.95	7.16
20th Coupon	Friday, 1 September, 2023	Friday, 1 September, 2023	31	6.95	7.16
21st Coupon	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	6.72	6.93
22nd Coupon	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	6.95	7.16
23rd Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	30	6.72	6.93
24th Coupon	Monday, 1 January, 2024	Monday, 1 January, 2024	31	6.95	7.16
25th Coupon	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	6.95	7.16
26th Coupon	Friday, 1 March, 2024	Friday, 1 March, 2024	29	6.50	6.70
27th Coupon	Monday, 1 April, 2024	Monday, 1 April, 2024	31	6.95	7.16
28th Coupon	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	6.74	6.95
29th Coupon	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	6.96	7.18
30th Coupon	Monday, 1 July, 2024	Monday, 1 July, 2024	30	6.74	6.95
31st Coupon	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	6.96	7.18
32nd Coupon	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	6.96	7.18
33rd Coupon	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	6.74	6.95
34th Coupon	Friday, 1 November, 2024	Friday, 1 November, 2024	31	6.96	7.18
35th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	6.74	6.95

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
36th Coupon	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	6.96	7.18
37th Coupon	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	6.96	7.18
38th Coupon	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	6.29	6.48
39th Coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	6.96	7.18
40th Coupon	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	6.74	6.95
41st Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	6.96	7.18
42nd Coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	6.74	6.95
43rd Coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	6.96	7.18
44th Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	6.96	7.18
45th Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	6.74	6.95
46th Coupon	Saturday, 1 November, 2025	Saturday, 1 November, 2025	31	6.96	7.18
47th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	6.74	6.95
48th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	6.96	7.18
49th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	6.96	7.18
50th Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	6.29	6.48
51st Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	6.96	7.18
52nd Coupon	Friday, 1 May, 2026	Saturday, 2 May, 2026	30	6.74	6.95
53rd Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	6.96	7.18
54th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	6.74	6.95
55th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	6.96	7.18
56th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	6.96	7.18
57th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	6.74	6.95
58th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	6.96	7.18
59th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	6.74	6.95
60th Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	6.96	7.18
61st Coupon	Sunday, 3 January, 2027	Friday, 1 January, 2027	2	0.45	0.46
Principal / Maturity Value	Sunday, 3 January, 2027	Friday, 1 January, 2027		1,000	1,000

Series IV

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022
Tenor	60 months	60 months
Coupon Rate for all Categories	8.50%	8.75%
Redemption Date/Maturity Date	Sunday, 3 January, 2027	Sunday, 3 January, 2027
Frequency of the interest payment with specified dates	First Interest on January 3, 2023, subsequently on the 3rd day of January every year	First Interest on January 3, 2023, subsequently on the 3rd day of January every year
Day Count Convention	Actual / Actual	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000	-1,000
1st Coupon	Tuesday, 1 February, 2022	Tuesday, 1 February, 2022	29	6.52	6.71
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000	-1,000
1st Coupon	Tuesday, 3 January, 2023	Tuesday, 3 January, 2023	365	85	88
2nd Coupon	Wednesday, 3 January, 2024	Wednesday, 3 January, 2024	365	85	88
3rd Coupon	Friday, 3 January, 2025	Friday, 3 January, 2025	366	85	88
4th Coupon	Saturday, 3 January, 2026	Monday, 5 January, 2026	365	85	88
5th Coupon	Sunday, 3 January, 2027	Friday, 1 January, 2027	365	85	88
Principal / Maturity Value	Sunday, 3 January, 2027	Friday, 1 January, 2027		1,000	1,000

Series V

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	Pre Incentive	Post Incentive
Number of Secured NCDs held (assumed)	1,000.00	1,000.00
Date of Allotment	1	1
Tenor	Monday, 3 January, 2022	Monday, 3 January, 2022
Coupon Rate for all Categories	60 months	60 months
Redemption Date/Maturity Date	NA	NA
Frequency of the interest payment with specified dates	Sunday, 3 January, 2027	Sunday, 3 January, 2027
Day Count Convention	Cumulative	Cumulative

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000.00	-1,000.00
Coupon/Interest and Principal Payment	Sunday, 3 January, 2027	Friday, 1 January, 2027	1826	1,504.00	1,521.45

Series VI

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	1	1
Tenor	Monday, 3 January, 2022	Monday, 3 January, 2022
Coupon Rate for all Categories	84 months	84 months
Redemption Date/Maturity Date	8.43%	8.68%
Frequency of the interest payment with specified dates	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029
Day Count Convention	First interest on February 1, 2022 and subsequently on the 1st day of every month.	First interest on February 1, 2022 and subsequently on the 1st day of every month.

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000	-1,000
1st Coupon	Tuesday, 1 February, 2022	Tuesday, 1 February, 2022	29	6.70	6.90

2nd Coupon	Tuesday, 1 March, 2022	Tuesday, 1 March, 2022	28	6.47	6.66
3rd Coupon	Friday, 1 April, 2022	Friday, 1 April, 2022	31	7.16	7.37
4th Coupon	Sunday, 1 May, 2022	Monday, 2 May, 2022	30	6.93	7.13
5th Coupon	Wednesday, 1 June, 2022	Wednesday, 1 June, 2022	31	7.16	7.37
6th Coupon	Friday, 1 July, 2022	Friday, 1 July, 2022	30	6.93	7.13
7th Coupon	Monday, 1 August, 2022	Monday, 1 August, 2022	31	7.16	7.37
8th Coupon	Thursday, 1 September, 2022	Thursday, 1 September, 2022	31	7.16	7.37
9th Coupon	Saturday, 1 October, 2022	Monday, 3 October, 2022	30	6.93	7.13
10th Coupon	Tuesday, 1 November, 2022	Tuesday, 1 November, 2022	31	7.16	7.37
11th Coupon	Thursday, 1 December, 2022	Thursday, 1 December, 2022	30	6.93	7.13
12th Coupon	Sunday, 1 January, 2023	Monday, 2 January, 2023	31	7.16	7.37
13th Coupon	Wednesday, 1 February, 2023	Wednesday, 1 February, 2023	31	7.16	7.37
14th Coupon	Wednesday, 1 March, 2023	Wednesday, 1 March, 2023	28	6.47	6.66
15th Coupon	Saturday, 1 April, 2023	Monday, 3 April, 2023	31	7.16	7.37
16th Coupon	Monday, 1 May, 2023	Tuesday, 2 May, 2023	30	6.91	7.11
17th Coupon	Thursday, 1 June, 2023	Thursday, 1 June, 2023	31	7.14	7.35
18th Coupon	Saturday, 1 July, 2023	Monday, 3 July, 2023	30	6.91	7.11
19th Coupon	Tuesday, 1 August, 2023	Tuesday, 1 August, 2023	31	7.14	7.35
20th Coupon	Friday, 1 September, 2023	Friday, 1 September, 2023	31	7.14	7.35
21st Coupon	Sunday, 1 October, 2023	Tuesday, 3 October, 2023	30	6.91	7.11
22nd Coupon	Wednesday, 1 November, 2023	Wednesday, 1 November, 2023	31	7.14	7.35
23rd Coupon	Friday, 1 December, 2023	Friday, 1 December, 2023	30	6.91	7.11
24th Coupon	Monday, 1 January, 2024	Monday, 1 January, 2024	31	7.14	7.35
25th Coupon	Thursday, 1 February, 2024	Thursday, 1 February, 2024	31	7.14	7.35
26th Coupon	Friday, 1 March, 2024	Friday, 1 March, 2024	29	6.68	6.88
27th Coupon	Monday, 1 April, 2024	Monday, 1 April, 2024	31	7.14	7.35
28th Coupon	Wednesday, 1 May, 2024	Thursday, 2 May, 2024	30	6.93	7.13
29th Coupon	Saturday, 1 June, 2024	Monday, 3 June, 2024	31	7.16	7.37
30th Coupon	Monday, 1 July, 2024	Monday, 1 July, 2024	30	6.93	7.13
31st Coupon	Thursday, 1 August, 2024	Thursday, 1 August, 2024	31	7.16	7.37
32nd Coupon	Sunday, 1 September, 2024	Monday, 2 September, 2024	31	7.16	7.37
33rd Coupon	Tuesday, 1 October, 2024	Tuesday, 1 October, 2024	30	6.93	7.13
34th Coupon	Friday, 1 November, 2024	Friday, 1 November, 2024	31	7.16	7.37
35th Coupon	Sunday, 1 December, 2024	Monday, 2 December, 2024	30	6.93	7.13
36th Coupon	Wednesday, 1 January, 2025	Wednesday, 1 January, 2025	31	7.16	7.37

37th Coupon	Saturday, 1 February, 2025	Monday, 3 February, 2025	31	7.16	7.37
38th Coupon	Saturday, 1 March, 2025	Monday, 3 March, 2025	28	6.47	6.66
39th Coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	7.16	7.37
40th Coupon	Thursday, 1 May, 2025	Friday, 2 May, 2025	30	6.93	7.13
41st Coupon	Sunday, 1 June, 2025	Monday, 2 June, 2025	31	7.16	7.37
42nd Coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	6.93	7.13
43rd Coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	7.16	7.37
44th Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	7.16	7.37
45th Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	6.93	7.13
46th Coupon	Saturday, 1 November, 2025	Saturday, 1 November, 2025	31	7.16	7.37
47th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	6.93	7.13
48th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	7.16	7.37
49th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	7.16	7.37
50th Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	6.47	6.66
51st Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	7.16	7.37
52nd Coupon	Friday, 1 May, 2026	Saturday, 2 May, 2026	30	6.93	7.13
53rd Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	7.16	7.37
54th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	6.93	7.13
55th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	7.16	7.37
56th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	7.16	7.37
57th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	6.93	7.13
58th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	7.16	7.37
59th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	6.93	7.13
60th Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	7.16	7.37
61st Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	7.16	7.37
62nd Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	6.47	6.66
63rd Coupon	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	7.16	7.37
64th Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	6.91	7.11
65th Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	7.14	7.35
66th Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	6.91	7.11
67th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	7.14	7.35
68th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	7.14	7.35
69th Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	6.91	7.11
70th Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	7.14	7.35
71st Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	6.91	7.11
72nd Coupon	Saturday, 1 January, 2028	Sunday, 2 January, 2028	31	7.14	7.35
73rd Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	7.14	7.35

74th Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	6.68	6.88
75th Coupon	Saturday, 1 April, 2028	Saturday, 1 April, 2028	31	7.14	7.35
76th Coupon	Monday, 1 May, 2028	Monday, 1 May, 2028	30	6.93	7.11
77th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	7.16	7.35
78th Coupon	Saturday, 1 July, 2028	Saturday, 1 July, 2028	30	6.93	7.11
79th Coupon	Tuesday, 1 August, 2028	Tuesday, 1 August, 2028	31	7.16	7.35
80th Coupon	Friday, 1 September, 2028	Friday, 1 September, 2028	31	7.16	7.35
81st Coupon	Sunday, 1 October, 2028	Sunday, 1 October, 2028	30	6.93	7.11
82nd Coupon	Wednesday, 1 November, 2028	Wednesday, 1 November, 2028	31	7.16	7.35
83rd Coupon	Friday, 1 December, 2028	Friday, 1 December, 2028	30	6.93	7.11
84th Coupon	Monday, 1 January, 2029	Monday, 1 January, 2029	31	7.16	7.35
85th Coupon	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029	2	0.46	0.47
Principal / Maturity Value	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029		1,000	1,000

Series VII

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	1	1
Tenor	Monday, 3 January, 2022	Monday, 3 January, 2022
Coupon Rate for all Categories	84 months	84 months
Redemption Date/Maturity Date	8.43%	8.68%
Frequency of the interest payment with specified dates	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029
Day Count Convention	First interest on February 1, 2022 and subsequently on the 1st day of every month.	First interest on February 1, 2022 and subsequently on the 1st day of every month.

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000	-1,000
1st Coupon	Tuesday, 3 January, 2023	Tuesday, 3 January, 2023	365	88	90
2nd Coupon	Wednesday, 3 January, 2024	Wednesday, 3 January, 2024	365	88	90
3rd Coupon	Friday, 3 January, 2025	Friday, 3 January, 2025	366	88	90
4th Coupon	Saturday, 3 January, 2026	Monday, 5 January, 2026	365	88	90
5th Coupon	Sunday, 3 January, 2027	Monday, 4 January, 2027	365	88	90
6th Coupon	Monday, 3 January, 2028	Monday, 3 January, 2028	365	88	90
7th Coupon	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029	366	88	90
Principal / Maturity Value	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029		1,000	1,000

Series VIII

	Pre Incentive	Post Incentive
Face Value per Secured NCD (₹)	1,000.00	1,000.00
Number of Secured NCDs held (assumed)	1	1
Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022
Tenor	84 months	84 months
Coupon Rate for all Categories	NA	NA
Redemption Date/Maturity Date	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029
Frequency of the interest payment with specified dates	Cumulative	Cumulative
Day Count Convention	Actual / Actual	Actual / Actual

Cash Flows	Due Date	Date of Payment	No of days in coupon period	Coupon For All Categories (₹)	
				(Pre-Incentive)	(Post-Incentive)
Deemed Date of Allotment	Monday, 3 January, 2022	Monday, 3 January, 2022		-1,000.00	-1,000.00
Coupon/Interest and Principal Payment	Wednesday, 3 January, 2029	Wednesday, 3 January, 2029	2557	1,799.75	1,830.00

ANNEXURE E

Particulars	Upto 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	6,109.60	2,892.73	2,845.36	7,679.00	13,898.34	44,750.83	25,862.75	46,102.17	150,140.78
Reserves and Surplus	-	-	-	-	-	-	-	24,108.38	24,108.38
Investment	0.50	0.50	0.50	1.51	3.11	13.23	13.58	2,125.07	2,157.99
Borrowings	2,036.20	6,058.72	3,737.02	9,985.43	15,055.78	36,078.00	16,847.08	37,012.22	126,810.45
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	118.25	-	-	-	3,710.85	-	-	3,829.10