



India Shelter Finance Corporation Limited

(Our Company was incorporated as “Satyaprakash Housing Finance India Limited” under the Companies Act, 1956 on October 26, 1998 with the Registrar of Companies, Madhya Pradesh and received the Certificate for Commencement of Business on November 18, 1998. The name of the Company was subsequently changed from “Satyaprakash Housing Finance India Limited” to “India Shelter Finance Corporation Limited” and the fresh Certificate of Incorporation was issued by Registrar of Companies, Madhya Pradesh and Chattisgarh on July 08, 2010. Thereafter, the registered office of the Company was shifted from the state of Madhya Pradesh to Gurugram, Haryana and the Certificate of Registration of Company Law Board Order for Change of State was received on April 28, 2011. The CIN of our Company is U65922HR1998PLC042782 and PAN of our Company is AAGCS7358Q. Our Company is registered with National Housing Bank (“NHB”) as housing finance company with registration no. No. 09.0087.10. For further details about our Company, see “History and Certain Other Corporate Matters” on page 89)

Registered and Corporate Office: 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurugram - 122 002, Haryana, India; Tel.: +91 124 413 1813

Website: www.indiashelter.in; E-mail: mukti.chaplot@indiashelter.in

Company Secretary & Compliance Officer: Mukti Chaplot, Tel.: +91 124 413 1813; E-mail: mukti.chaplot@indiashelter.in

Chief Financial Officer: Ashish Gupta, Tel.: +91 124 413 1813; E-mail: ashish.gupta@indiashelter.in

Statutory Auditor: T R Chadha & Co, LLP, Chartered Accountants; Tel.: +91 11 4325 9900; E-mail: delhi@trchadha.com, Contact Person: Aashish Gupta

PROMOTER OF OUR COMPANY: ANIL MEHTA; Tel.: +91 124 413 1813; E-mail: anil@indiashelter.in. Please also refer chapter “Our Promoter” on page 116

PUBLIC ISSUE BY INDIA SHELTER FINANCE CORPORATION LIMITED (“COMPANY” OR THE “ISSUER”) OF 10,00,000 RATED, SECURED, SENIOR, LISTED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH (“NCDs”) FOR AN AMOUNT UPTO ₹ 5,200 LAKH, HEREINAFTER REFERRED TO AS THE “BASE ISSUE SIZE” WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UPTO ₹ 4,800 LAKHS, AGGREGATING UP TO ₹ 10,000 LAKHS, HEREINAFTER REFERRED TO AS THE “OVERALL ISSUE SIZE” (COLLECTIVELY THE “ISSUE”). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE “SEBI NCS REGULATIONS”), THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, AS AMENDED AND THE SEBI OPERATIONAL CIRCULAR DATED AUGUST 10, 2021. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.

GENERAL RISK

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 examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to “Risk Factors” on page 13. 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.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 this Draft Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading.

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

For details relating to coupon rate, coupon payment frequency, redemption date, redemption amount & eligible investors of the Debentures, please refer to “Issue Structure” on page 152.

CREDIT RATING AGENCY AND CREDIT RATING



ICRA Limited

The Millenia, Tower B Unit No. 1004, 10th Floor, 1 & 2 Murphy Road, Bengaluru - 560 008

Tel.: +91 80 4332 6401; E-mail: jayantac@icraindia.com; Contact Person: Jayanta Chatterjee

The NCDs proposed to be issued under the Issue have been rated “[ICRA] A (read as ICRA A) (Outlook: Stable)” for an amount of ₹ 21,500 lakhs by ICRA Limited vide their rating letter dated November 02, 2021 and has reaffirmed the same vide letter dated December 15, 2021. The rating of the NCDs by ICRA indicates adequate degree of safety regarding timely servicing of financial obligations and carry 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 Annexure II of this Draft Prospectus for the rationale of the above rating.

LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on BSE Limited (“BSE”). BSE shall be the Designated Stock Exchange. The Company has received an ‘in-principle’ approval from BSE vide their letter no. [●] dated [●].

PUBLIC COMMENTS

The Draft Prospectus dated December 23, 2021 filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and to be kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) on [●].

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE TO THE ISSUE *
<p>Sundae Capital Advisors Private Limited Level 9, Platina, Plot No. C - 59 ‘G’ Block, Bandra Kurla Complex Bandra (East), Mumbai - 400 051, Maharashtra, India Telephone: +91 22 6700 0639 E-mail Id: indiashelter.2021@sundaecapital.com Investor grievance e-mail Id: grievance.mb@sundaecapital.com Contact person: Ashi Sood / Ridima Gulati Website: www.sundaecapital.com SEBI registration number: INM000012494</p>	<p>Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area Phase - I, New Delhi - 110 020, India Telephone: +91 11 40450193-97 E-mail Id: compliances@skylinert.com Contact person: Alok Gautam Website: www.skylinert.com SEBI registration number: INR000003241</p>	<p>Catalyst Trusteeship Limited ‘GDA House’, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra, India Tel: +91 22 4922 0555 Fax: +91 22 4922 0505 Email: complianceCTL-Mumbai@ctltrustee.com Website: www.catalysttrustee.com Contact Person: Umesh Salvi Compliance Officer: Rakhi Kulkarni SEBI Registration No.: IND000000034</p>

ISSUE PROGRAMME **

Issue Opens on	Issue Closes on
[●]	[●]

* Catalyst Trusteeship Limited under Regulation 8 of SEBI NCS Regulations has by its letter dated November 26, 2021 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue and the same is annexed as Annexure III in this Draft Prospectus.

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Asset Liability Management Committee, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. Applications through the UPI route will be accepted, subject to compliance by the investor with the eligibility criteria and due procedure for UPI applications prescribed by SEBI. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date. For further details please refer to “General Information” on page 35.

A copy of the Prospectus shall be filed with the Registrar of Companies, NCT Delhi and Haryana in terms of Section 26 of Companies Act, 2013, along with the endorsed / certified copies of all requisite documents. For further details, please refer to “Material Contracts and Documents for Inspection” on page 303.

TABLE OF CONTENTS

DEFINITIONS AND ABBREVIATIONS	1
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION	10
FORWARD LOOKING STATEMENTS	12
RISK FACTORS	13
GENERAL INFORMATION	35
CAPITAL STRUCTURE	42
OBJECTS OF THE ISSUE	49
STATEMENT OF TAX BENEFITS	53
INDUSTRY OVERVIEW	66
OUR BUSINESS	75
HISTORY AND CERTAIN CORPORATE MATTERS	89
KEY REGULATIONS AND POLICIES	91
OUR MANAGEMENT	107
OUR PROMOTER	116
FINANCIAL STATEMENTS	118
KEY OPERATIONAL AND FINANCIAL PARAMETERS	119
FINANCIAL INDEBTEDNESS	121
OUTSTANDING LITIGATIONS	146
MATERIAL DEVELOPMENTS	151
ISSUE STRUCTURE	152
TERMS OF THE ISSUE	174
ISSUE PROCEDURE	190
OTHER REGULATORY AND STATUTORY DISCLOSURES	219
MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	235
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	303
DECLARATION	305
ANNEXURE I – DAY COUNT CONVENTION	306
ANNEXURE II – CREDIT RATING LETTER AND RATIONALE	308
ANNEXURE III – CONSENT OF THE DEBENTURE TRUSTEE	324

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Prospectus to “the Issuer”, “our Company”, “the Company” or “ISFCL” or “India Shelter” are to India Shelter Finance Corporation Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurugram - 122 002, Haryana, India. Unless the context otherwise indicates, all references in this Draft Prospectus to “we” or “us” or “our” are to our Company. Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended or modified or restated from time to time.

COMPANY RELATED TERMS

Term	Description
“we” or “us” or “our”	Unless the context otherwise indicates or implies, refers to the Company.
₹ / Rs. / INR / Rupees / Indian Rupees	The lawful currency of the Republic of India
Articles / Articles of Association / AoA	Articles of Association of our Company
Assets Liability Committee or ALCO	Assets Liability Management Committee of the Board of Directors
Audit Committee	Audit committee of the Board of Directors
Auditor	T R Chadha & Co, LLP
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Branches	Includes Head Offices, Administrative Offices and Central Processing Units
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Ms. Mukti Chaplot
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee
Director(s)	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
HFC	Housing Finance Company
Independent Director	A Non-Executive, Independent Director as per the Companies Act, 2013 and the SEBI LODR Regulations, who are currently on the Board of our Company
Key Managerial Personnel	The Key Managerial Personnel of the Company appointed in accordance with the provisions of SEBI ICDR Regulations and the Companies Act, 2013
Memorandum of Association / MoA	Memorandum of Association of our Company
Net Worth	As defined in Sec 2(57) of the Companies Act, 2013, as follows: “Net worth 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.”
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of Directors
Promoter	Anil Mehta
Reformatted Financial Information	The Reformatted Statement of Assets and Liabilities of the Company as at March 31, 2021, March 31, 2020 and March 31, 2019 and Reformatted Statement of Profit and Loss and the Reformatted Statement of Cash Flows and Reformatted Statement of change in equity and the Summary of Significant Accounting Policies and explanatory notes for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 (together referred as “Reformatted Financial Statements” have been

Term	Description
	extracted by the Management from the IND AS Audited Financial Statements of the Company for the year ended March 31, 2021, March 31, 2020 (“Audited IND AS Financial Statements”).
Risk Management Committee	Risk management committee of the Board of Directors
Registered Office	6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurugram - 122 002, Haryana, India
RoC	Registrar of Companies, NCT Delhi and Haryana
Shareholder(s)	The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof

ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	The memorandum containing the salient features of the Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or part, pursuant to the Issue
Applicant/ Investor/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus and the Application Form through ASBA process or through UPI Mechanism
Application	An application to subscribe to the NCDs (whether physical or electronic) offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Prospectus
Application Amount or Application Money	The aggregate value of the NCDs applied for as indicated in the Application Form for the Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Prospectus
ASBA or Application Supported by Blocked Amount or ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the 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 individual investors which will be considered as the application for Allotment in terms of the Prospectus
ASBA Account	A bank account maintained by an ASBA Bidder 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, the Public Issue Account Bank, Sponsor Bank and the Refund Bank, being Axis Bank Limited
Base Issue or Base Issue Size	₹ 5,200 lakhs
Basis of Allotment	The basis on which NCDs will be allotted to successful Applicants under the Issue and which is described in “Issue Procedure” on page 190.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Location for RTA and Designated CDP Locations for CDPs
Broker Centres	Broker Centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with

Term	Description
	the names and contact details of the Trading Members are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
Category I - Institutional Investors	<ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with minimum corpus of ₹25 crore, and superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • 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; • 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; • Systemically important non-banking financial companies being non-banking financial companies registered with the Reserve Bank of India and having a net worth of more than ₹ 500 crores as per its last audited financial statements; and • Mutual Funds registered with SEBI
Category II - Non-Institutional Investors	<ul style="list-style-type: none"> • Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III - High Net-Worth Individuals	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 Lakh across all series of NCDs in Issue
Category IV - Retail Individual Investors	Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹ 10 Lakh, across all series of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
CDP / Collecting Depository Participant	A depository participant, as defined under the Depositories Act, 1996, as amended, and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular
Coupon / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with this Draft Prospectus. Please see the section titled “Issue Structure” on page 152.
Credit Rating Agency or Rating Agency	ICRA Limited

Term		Description
Debenture Agreement	Trustee	Debenture trustee agreement dated December 20, 2021 entered into between the Debenture Trustee and the Company
Debenture Trust Deed or DTD		Debenture trust deed to be entered into between the Debenture Trustee and the Company, which shall be executed within the time limit prescribed by the SEBI NCS Regulations and other Applicable Law
Debenture Trustee	Trustee /	Catalyst Trusteeship Limited
Deemed Allotment	Date of	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or Asset Liability Management Committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or Asset Liability Management Committee thereof and notified to the Stock Exchanges. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual Allotment may occur on a date other than the Deemed Date of Allotment
Demographic Details		The details of an Applicant, such as his address, bank account details, UPI ID, Permanent Account Number, Category for printing on refund orders, and occupation which are based on the details provided by the Applicant in the Application Form.
Depositories Act		The Depositories Act 1996
Depository(ies)		National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP Participant	/ Depository	A depository participant as defined under the Depositories Act
Designated Branches		Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Locations	CDP	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 website of BSE (www.bseindia.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 Prospectus and the Public Issue Account and Sponsor Bank Agreement
Designated Intermediary(ies)		Collectively, the Lead Manager, Lead Broker, SCSBs, Trading Members, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue 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 Manager, Lead Broker, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular.
Designated Locations	RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of ₹ 2,00,000) are available on the website of BSE at https://www.bseindia.com , as updated from time to time.
Designated Exchange	Stock	BSE Limited
Direct Application	Online	An online interface enabling direct applications through UPI by an application based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Prospectus		The Draft Prospectus dated December 23, 2021, filed by our Company with BSE Limited for receiving public comments in accordance with the provisions of the SEBI NCS Regulations and to SEBI for record purpose

Term	Description
Interest / Coupon Payment Date	The dates on which interest/coupon on the NCDs shall fall due for payment which will be specified in this Draft Prospectus. Please see the section titled "Issue Structure" on page 152
Issue	Public Issue by our Company of rated, secured, senior, listed, transferable, redeemable, non-convertible debentures of face value ₹ 1,000 each ("NCDS") for an amount upto ₹ 5,200 lakhs, with an option to retain over-subscription upto ₹ 4,800 lakhs, aggregating up to ₹ 10,000 lakhs
Issue Agreement	Agreement dated December 23, 2021 between our Company and the Lead Manager
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms
Lead Manager/ LM	Sundae Capital Advisors Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD
NBFC-HFC Directions or HFC Directions or RBI Master Directions	The RBI's circular no. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on " <i>Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021</i> " dated February 17, 2021 (as amended, modified or restated from time to time) read with the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on " <i>Implementation of Indian Accounting Standards</i> ".
NCDs or Debentures	Rated, Secured, Senior, Listed, Transferable, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 each that our Company proposes to issue through this Issue.
NCD Holder/ Debenture Holder(s)/ Bond Holder(s)	Each holder of an NCD.
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
Prospectus	The Prospectus to be filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts on the Designated Date as specified in the Draft Prospectus
Public Issue Account Bank	An account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts on the Designated Date
Public Issue Account and Sponsor Bank Agreement	Agreement dated [●] entered into amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank, Sponsor Bank and the Lead Manager for appointment of Sponsor Bank in accordance with Debt UPI Circular and for collection of the Application Amounts from ASBA Accounts and UPI mandates and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Record Date	The record date for payment of interest in connection with the NCDs or redemption of the NCDs, which shall be 15 (Fifteen) 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 / Asset Liability Management Committee from time to time in accordance with the applicable law. In case of redemption of NCDs, the trading/transferability in the NCDs shall remain suspended between the relevant Record Date and the respective date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date

Term	Description
Recovery Expense Fund	The recovery expense fund created by our Company with the Stock Exchange, in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended or modified or restated from time to time and in Regulation 11 of SEBI NCS Regulations
Redemption Amount	The amount repayable on redemption of the NCDs, as specified in the Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made
Refund Bank(s)	The Banker to the Issue, with whom the Refund Account will be opened, which shall be specified in the Prospectus
Register of Debenture Holders	The Register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registered Broker or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and the stock exchanges having nationwide terminals, other than the Members of the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar / RTA / Share Transfer Agent	Skyline Financial Services Private Limited
Registrar Agreement	Agreement dated [●] 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
Security or Transaction Security	As specifically disclosed in “Issue Structure” on page 152 of this Draft Prospectus and detailed in the Debenture Trust Deed
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA and UPI, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time or at such other website as may be prescribed by SEBI from time to time
Series / Option	Collectively the series/options of NCDs being offered to the Applicants as stated in the section titled “Issue Structure” on page 152
Specified Cities/Specified Locations	Bidding Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium Members, Broker Centres for Trading Members, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI 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 ₹ 2,00,000 and carry out any other responsibilities in terms of the SEBI Operational Circular.
Stock Exchange	BSE
Sundae	Sundae Capital Advisors Private Limited
Syndicate or Members of the Syndicate Collectively, the Lead Brokers appointed in relation to the Issue	Syndicate or Members of the Syndicate Collectively, the Lead Brokers appointed in relation to the Issue
Syndicate ASBA Application Locations	ASBA Applications through the Lead Manager, Lead Brokers or the Trading Members of the Stock Exchanges only in the Specified Cities
Syndicate ASBA Branches	Applications through the Members of the Syndicate or the Designated Intermediaries 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

Term	Description
	http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the respective NCDs, as specifically disclosed in “Issue Structure” on page 152 of this Draft Prospectus
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Trading Members	Intermediaries registered with a Broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange 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 Exchange
Tripartite Agreements	Tripartite agreement dated June 22, 2021 among our Company, the Registrar and CDSL and tripartite agreement dated March 17, 2010 among our Company, the Registrar and NSDL
UPI or UPI Mechanism	Unified Payments Interface mechanism in accordance with the SEBI Operational Circular as amended from time to time, to block funds for application value upto ₹ 2,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
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.
Wilful Defaulter	Means wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Working Day(s)	Working Day means all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATION

Term	Description
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 or modified or restated from time to time
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AUM	Asset Under Management
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting one from the subsequent result
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Act/ Companies Act, 2013	The Companies Act 2013, to the extent notified, read with rules framed, by the Ministry of Corporate Affairs and in force as on the date, as the case may be, as amended, modified or restated from time to time
CP	Commercial Paper
CRAR	Capital to Risk-Weighted Assets Ratio

Term	Description
CrPC	Code of Criminal Procedure, 1973, as amended or modified or restated from time to time
CSR	Corporate Social Responsibility
ECB	External Commercial Borrowing(s)
ECS	Electronic Clearing Scheme
DIN	Director Identification Number
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
FCNR	Foreign Currency Non-Repatriable
FDI	Foreign Direct Investment
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) 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
Financial Year / Fiscal / FY	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended or modified or restated from time to time
Income Tax Rules	Income Tax Rules, 1962, as amended or modified or restated from time to time
IND AS / Ind AS	Indian accounting standards, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended or modified or restated from time to time
Indian GAAP	Generally accepted accounting principles in India, including the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended or modified or restated from time to time
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NEFT	National Electronic Fund Transfer
NHB	National Housing Board
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NHB Directions	Master Circular - Housing Finance Companies (NHB) Directions, 2010 dated July 1, 2019
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RBI Master Direction	RBI Master Direction - Non Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Operational Circular or Listed	Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI

Term	Description
NCDs Operational Circular	
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
SEBI Listing Regulations / SEBI LODR	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Defaults (Procedure) Circular	The SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities".
SEBI Due Diligence Circular	The SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)".
SEBI Listed Debentures Circulars	Collectively, the SEBI Defaults (Procedure) Circular, the SEBI Due Diligence Circular, the SEBI Monitoring Circular, the SEBI Recovery Expense Fund Circular, the Listed NCDs Operational Circular, and the LODR Regulations (to the extent applicable).
SEBI Monitoring Circular	The SEBI circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23 dated November 12, 2020 on "Monitoring and Disclosures by Debenture Trustee(s)".
SEBI Recovery Expense Fund Circular	The SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund".

BUSINESS/ INDUSTRY RELATED TERMS

Term	Description
Adjusted CRAR	Adjusted capital to risk (weighted) assets ratio (Considering nil risk weightage on mutual fund investments)
CIBIL	TransUnion CIBIL Limited
KYC	Know Your Customer
ROE	Return on Equity
UIDAI	Unique Identification Authority of India

Notwithstanding anything contained herein, capitalised terms that have been defined in "Capital Structure", "Key Regulations and Policies", "History and Certain Corporate Matters", "Statement of Tax Benefits", "Our Management", "Financial Statements", "Financial Indebtedness", "Outstanding Litigations", "Issue Procedure" and "Main Provisions of the Articles of Association of our Company" on pages 42, 91, 118, 121, 146, 190 and 235 respectively, will have the meanings ascribed to them in such sections.

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

Certain Conventions

All references in this Draft Prospectus to “India” are to the Republic of India and its territories and possessions and all references to the “Government”, the “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. Further, a reference to any act, statute, regulation, or any provision thereof shall include a reference to such act, statute, regulation, or such provision as amended or modified or restated from time to time.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

Presentation of Financial Information

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Prospectus are to a calendar year and references to a Financial Year are to the year ended on March 31 of that calendar year.

Our Company publishes its financial statements in Rupees. Our Company’s financial statements as at and for the year ended March 31, 2021, 2020, and 2019 has been prepared in accordance with Ind AS.

The Reformatted Financial Information are included in this Draft Prospectus. The reports on the Reformatted Financial Information, as issued by the Statutory Auditors of our Company, T R Chadha & Co, LLP, Chartered Accountants are included in this Draft Prospectus in “*Financial Statements*” on page 118.

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

Unless stated otherwise, the financial data for the financial years ended on March 31, 2021, March 31 2020 and March 31, 2019 has been derived from the Reformatted Financial Information included in this Draft Prospectus.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Reformatted Financial Information in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Non-GAAP Financial Measures

Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other than debt securities and subordinated liabilities) and Total Debt/Total Equity (together, “**Non-GAAP Financial Measures**”), presented in this Draft Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Financial Measures are not standardised terms, hence a direct comparison of these Non-GAAP Financial Measures between companies may not be possible. Other companies in financial services industry may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Financial Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes

that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Currency and Unit of Presentation

In this Draft Prospectus, references to “₹”, “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India, references to “US\$”, “USD”, and “U.S. Dollars” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Draft Prospectus, data will be given in ₹ in lakhs and / or crore.

Certain figures contained in this Draft 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.

Industry and Market Data

Any industry and market data used in this Draft Prospectus consists of estimates based on data reports compiled by Government bodies, professional organisations and analysts, data from other external sources, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft 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.

Given that 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 Manager has independently verified this data and neither we nor the Lead Manager makes 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 Manager can assure potential investors as to their accuracy.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share;
- Performance of the financial and capital markets in India and globally;
- We are involved in certain legal and other proceedings which, if determined against us, may have impact on our operations;
- The outcome of any legal or regulatory proceedings we are or may become a party to; 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 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 the Indian debt and equity markets;
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations; and
- 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.

For further discussion of factors that could cause our actual results to differ, see “Risk Factors” on page 13 of this Draft Prospectus. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Industry Overview” and “Our Business” on page 66 and 75 respectively of this Draft Prospectus. The forward-looking statements contained in this Draft 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 at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Manager 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 SEBI NCS Regulations, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Prospectus, including the risks and uncertainties described below, and the information provided in “Our Business” on page 75 and “Financial Statements” on page 118, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless stated otherwise, the financial data in this section is as per our Reformatted Ind AS Financial Statements for the Financial Year ending March 31, 2021, 2020 and 2019 prepared in accordance with Ind AS.

Risks relating to our Business and our Company

1. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

The Covid-19 pandemic resulted in an unpredictable chain of events across the globe. With reduced production and consumption, every economy witnessed a fiscal crunch like never before. The pandemic shook the Indian economy, which was already under the effects of demonetisation and GST enforcement. As Covid-19 swiftly made its way into the nation, the Indian Government imposed a strict nationwide lockdown. Trade and travel restrictions along with shutdown of business activities led to a GDP contraction of 23.9%.

Indian housing finance space has seen its fair share of uncertainties in the recent times. The sector that faced demand, funding, and liquidity challenges in the last two financial years is now witnessing a rise on both, the demand and the supply side. With the rollout of multiple vaccines and preference towards work from home, the wide consensus is that housing finance is a need of the hour. It has led to increase in consumer demand for new homes.

Our business, too, felt a sudden jolt when the Covid-19 pandemic first hit the country. However, our Company took prompt action and implemented business continuity planning (BCP), which enabled a seamless transition to a home-based working setup for our employees. All our systems are cloud based and hence all operations went online in no time.

Our Company believes in performance-based incentives and rewards its employees on their achievements. During the tough times of Covid-19, our adaptive and customer-focussed team smoothly transitioned to work from home, taking most of our operations online. We made deliberate attempts to ensure employee wellness and provided the much-needed insurance cover to cope with Covid-19 related hospitalisation. We provided financial aid to our people, in addition to insurance, who suffered from Covid-19, and promoted the vaccination drive by reimbursing our employees for their vaccination-related costs.

Despite these challenging times, our overall loan book grew by 45% to ₹2,198 Crores in 2020-21. Total revenue for the year stood at ₹322.80 Crores, a growth of 40% Y-o-Y from ₹229.92 Crores in 2019-20. Total comprehensive income for the year grew by 86% to ₹87.39 Crores in 2020-21. Further, our profitability has increased due to cost rationalisation measures and ability to maintain consistent interest margins. Our Company’s funding primarily comes from banks, larger Non-Banking Financial Companies (NBFCs), and refinancing from NHB. Due to the benign credit market, mutual fund support was subdued in 2020-21, but we expect more activity from this segment in the coming years.

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, the outbreak, or threatened outbreak, of any severe communicable disease or pandemic including any variant of the coronavirus, as seen in the recent outbreak and aftermath of COVID-19, could adversely affect overall business sentiment and environment across industries.

2. Our Company and Directors are subject to certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business, financial condition and results of operations.

Our Company and Directors are subject to certain legal proceedings including criminal proceedings, tax proceedings, civil proceedings, actions by regulatory or statutory authorities and other material pending litigation. We incur substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that our Company or our Directors shall be successful in any or all of these actions. In the event, our Company or our Directors suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations. We cannot assure that an adverse order by any statutory or governmental authority would not have a negative impact on our profit and financial condition.

The summary of pending litigation in relation to criminal proceedings, tax proceedings, civil proceedings and actions by regulatory or statutory authorities and other material pending litigation involving our Company as on the date of this Draft Prospectus has been set out below in the section entitled “Outstanding Litigation” on page 146.

A summary of the pending tax proceedings and other material litigations is provided below:

Type of Proceeding	Number of cases	Amount (in Rs)
Litigation against our Company		
Tax Proceedings		
a. E-proceedings	14	N.A
b. Default in payment of Income Tax	1	3,64,49,008
c. Tax Deducted at Source	2	34,070
Litigation filed by our Company		
Criminal Proceedings		
a. Material Fraud	6	63,88,875
Proceedings under Negotiable Instruments Act	36	1,40,13,546
Litigation involving our Directors other than Promoter		
Tax Proceedings		
a. E-proceedings	2	N.A
b. Default in payment of Income Tax	3	1,58,272

Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

3. Our Company has 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.

Our Company has experienced considerable growth in recent years and we have significantly expanded our operations and branch network. Our total income grew from ₹ 16,596.08 lakhs for the Financial Year ended 2019 to ₹ 32,279.83 lakhs for Financial Year ended 2021, while our profit after tax grew from ₹ 3,038.89 lakhs for the Financial Year ended 2019 to ₹ 8,738.86 lakhs for Financial Year ended 2021. Our AUM has grown from ₹ 1,17,803.45 lakhs as of March 31, 2019 to ₹ 2,19,852.74 lakhs 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.

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 and mortgage 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.

4. *Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity 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 / raise funds through securitization and direct assignments 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 1.7, 1.2 and 0.7, 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.

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. 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 Financial year 2020 included the following Emphasis of Matter. However, the auditor's opinion was unmodified:

Financial Year ended	Emphasis Of Matter
March 31, 2020	<p>We draw attention to note 44 in the accompanying Statement which describes that the possible effects of the uncertainties due to the outbreak of COVID-19 on the Company's operations. Our opinion is not modified in respect of this matter.</p> <p>We draw attention to Note 45 relating to restatement of the comparative financial statements in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting estimates and Errors. Our opinion is not modified in respect of this matter.</p>

7. 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, 35.75% of our Gross AUM were from salaried customers and 59.58% from self-employed customers.

The RBI Master 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/guidelines on NPAs may become more stringent than they currently are, which may adversely affect our profitability and results of operations. The RBI Master Directions also prescribe the provisioning required in respect of our outstanding AUM. However, we follow Ind AS for provisioning as per the RBI Master Directions. In the event that the aggregate impairment provision under Ind AS is lower than that required under the applicable 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 1.78% and our net NPAs as a percentage of our AUM were 1.23%. Our provisions for NPAs (ECL provision for Stage 3) as at March 31, 2021, 2020 and 2019 were ₹ 1,569.15 lakhs, ₹ 676.80 lakhs and ₹361.46 lakhs representing a specific provision coverage ratio of 34.4%, 40.4% and 22.9% 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.

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

As of March 31, 2021, our total borrowings were ₹ 1,49,129.03 lakhs. 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/creditors 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/creditors 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/debt documents may restrict our operations or ability to expand and may adversely affect our business.

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/early redemption of any non-convertible debt instruments, and the enforcement of any security provided. Any acceleration of amounts due under such facilities/early redemption of any non-convertible debt instruments 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.

If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders/creditors 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. *We may not be able to maintain our capital adequacy ratio, which could adversely affect our business.*

The RBI Master Directions currently require HFCs to comply with a CRAR, consisting of Tier I and Tier II capital.

Pursuant to the RBI Master Directions, HFCs are currently required to maintain a minimum 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 91.16%, 81.12% and 71.51% 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 capital in order to remain in compliance with the applicable capital adequacy ratios. Further, the NHB or RBI 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.

10. 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. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

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

Particulars	Upto 30/31 days	Over 1 month & upto 2 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 years & upto 5 years	Over 5 years	(₹ in lakhs)
									Total
Advances	2,076	2,089	2,085	6,263	12,524	51,692	49,013	72,375	1,98,117
Investment	14,514	7,920	12,507	1,597	2,847	1,857	101	25	41,368
Borrowings	1,452	4,075	1,666	14,496	17,287	62,514	31,877	15,761	1,49,129
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

11. 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, please refer to "Our Business" on page 75. 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.

12. 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 loans against property. 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.

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

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

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

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

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

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

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

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 (“**Revised HFC Framework**”). Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act; (b) increased the minimum net owned fund requirement for HFCs from ₹ 1,000 lakhs to ₹ 2,000 lakhs; 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.

On February 17, 2021, RBI issued the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 in supersession of, *inter alia*, the NHB Directions and the Revised HFC Framework. The RBI Master Directions apply to every HFC registered under the NHB Act.

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.

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

Prior to the notification of the amendments of the NHB Act, we were subject to periodic inspection by the NHB under the 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 and has also levied certain penalties on our Company for such deficiencies. 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.

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.

15. Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition, cash flows 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.

16. 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.

17. Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation created thereby is essential to our business. The reputation of our Company could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value.

18. We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

19. 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 semi urban markets, which could adversely affect our profitability.

20. We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices & customs and customer requirements 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 geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers. Our 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 gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

21. 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.

22. 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. 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 ₹ 3,209.74 lakhs. 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.

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, please refer to “our Business” on page 75. 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.

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. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our strategies and risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving the NHB standards. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or evolving market standards.

25. System failures or inadequacy and security breaches in computer systems may adversely affect our business.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing MIS 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. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. All our systems are cloud based which ensures the scalability but at the same time our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

26. 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 Financial Years ending 2019, 2020 and 2021, our fresh assignment of loan assets at book value was Nil, Nil and ₹16,949.36 lakhs, 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.

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.

27. 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 majority of our customers fixed interest rate loans. In case there is a downward trend in the market interest rate scenario, it might prompt customers to do the balance transfer from us. 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. As the competition intensifies, we might face this risk even more. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans which are done by the customer using their own proceeds or equity, 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.

28. 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 ₹ 11,779.35 lakhs 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:

Particulars	For the Year ended March 31, 2021
a) In respect of following:	
- Income Tax matters	445.50
b) Commitments	
- Loan Financing	11,022.64
c) Over collateralisation for securitisation	309.16
d) Capital Commitments	2.05

29. We have had negative net cash flows from our operating, investing and financing activities in the recent financial years. Any negative cash flows in the future may adversely affect our results of operations and financial condition.

We have had negative net cash flows from our operating and investing activities during our last three financial years, the details of which are summarised below:

Particulars	Financial Year 2021	Financial Year 2020	Financial Year 2019
Net cash generated from/ (used in) operating activities	(32,699.20)	(29,154.97)	(70,287.63)
Net cash generated from/ (used in) investing activities	(1,721.70)	(15,025.52)	1,917.63
Net cash generated from/ (used in) financing activities	55,996.37	39,536.69	16,192.46

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, please see “Financial Statements” on page 118.

30. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into certain transactions with related parties, while we believe that all such transactions have been conducted on an arm’s length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details, please refer to “Financial Statements” on page 118.

31. All of our offices and branches are located in leased premises and non-renewal of lease agreements or their renewal on terms unfavourable to us could adversely affect our operations.

As of September 30, 2021, all of our offices including our Registered and branches are located in leased premises. Further, as we expand our branch network in line with our growth strategy, we expect the number of leased branches to increase significantly as all of our new branches are expected to open on leased premises.

If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

32. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

33. 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.

34. Our results of operations could be adversely affected as a result of any disputes with our employees.


Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance.

We employ 2,162 full-time employees as of September 30, 2021, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. For further details on our insurance coverage, see “Business - Insurance” on page 87. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

36. We do not own the trademark, the logo and brand name “India Shelter – Home Loans”. Consequently, our ability to use the trademark, name and logo may be impaired.

We have not obtained registration of our trademark  and accordingly, we may not be able to prevent infringement of our trademark and may be unable to seek remedies for infringement of our trademark by third parties other than relief against passing off by other entities, which may not provide sufficient protection.

Further, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

37. Our ability to pay dividends in the future will depend on restrictive covenants of our financing arrangements, our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.

Any dividends to be declared and paid by us in the future are required to be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association, Dividend Policy and applicable laws and regulations. Our ability to pay dividends in the future will depend on our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements, business prospects and any other financing arrangements. Dividends distributed by us will be taxed by any applicable dividend distribution tax and may be subject to other requirements prescribed by the regulatory authorities, as the case may be. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future. For details pertaining to dividend declared by us in the past, please see “Other Regulatory and Statutory Disclosures” on page 219. As per the law, dividends may be paid out of profits earned during the year or out of accumulated profits earned by a company in previous years and transferred by it to its reserves (subject to certain conditions). Any accumulated profits that are not distributed in a given year are retained and may be available for distribution in subsequent years.

38. 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.

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.

39. 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.

Issue Related Risk Factors

40. The objects of the issue are not for any specified projects.

The proceeds of this Issue will be used by the Issuer in accordance with applicable laws and not for any specified projects. For further details, please refer to "Objects of the Issue" on page 49.

41. 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 net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, repayment of interest and principal of existing borrowings and for general corporate purposes. For further details, please refer to "Objects of the Issue" on page 49. The fund requirement and deployment are 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. 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.

42. There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE Limited in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the NCD issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted. There could be a failure or delay in listing the NCDs in BSE.

43. Payments to be made on the NCDs are subordinated to certain taxes and other liabilities preferred by law.

In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets of our Company remaining, to pay amounts due on the NCDs. In case of proceedings under the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, the NCDs will be subordinated to certain liabilities preferred by law.

Amongst others, the (Indian) Insolvency and Bankruptcy Code, 2016 prescribes that in case of liquidation, a secured creditor has the option to either relinquish the security and participate in the liquidation process, or to independently realise the security. If the secured creditor chooses to independently enforce the security held by it, it will have a lower priority for any amounts remaining unpaid after the enforcement of the security (as compared to the priority such creditor would have had on relinquishing the security). The (Indian) Insolvency and Bankruptcy Code, 2016 also prescribes the order of distribution of the liquidation proceeds.

External Risk Factors

44. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently serve.

Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

45. 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.

46. 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.

47. Natural disasters and other disruptions could adversely affect the economy and could adversely affect our business, results of operations and financial condition.

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operation and financial condition.

48. We face risks related to public health epidemics in India and abroad.

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. In January 2020, an outbreak of a strain of coronavirus, COVID-19, which has spread globally, with cases recorded in China, Australia, Italy, Iran, Japan, South Korea, UAE, Thailand, the United States and India, among other countries. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern. Governments around the world has imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the economy globally in general and in India, in particular remains uncertain and may turn severe. If the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future public health epidemics in India could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss. Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal

amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 115.00% asset cover for the NCDs, which shall be free from any encumbrance, 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 NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

While the NCDs will be secured against a charge to the tune of 115% of the principal in favour of Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 115% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

50. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business. Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalisation policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalisation. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

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

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

52. Changes in interest rate may affect the price of our NCD.

Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs. All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

53. Repayment is subject to the credit risk of the Company

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the NCDs is subject to the credit risk of the Company whereby the Investors may or may not recover all or part of the funds in case of default by the Company. Potential investors assume the risk that the Company will not be able to satisfy their obligations under the NCDs. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert

bankruptcy are instituted by or against the Issuer, the payment of sums due on the NCDs may not be made or may be substantially reduced or delayed.

54. Risks in relation to NCDs; the secondary market for debentures may be illiquid; limited or sporadic trading of non-convertible securities of the Company on the Stock Exchanges

The NCDs may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the NCDs, it is not likely to provide significant liquidity. Potential investors may have to hold the NCDs until redemption to realize any value.

55. Changes in interest rates may affect the price of the NCDs

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the NCDs.

56. Risks in relation to the security; security may be insufficient to redeem the debentures; risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

In the event that the Company is unable to meet its payment and other obligations towards investors under the terms of the NCDs, the Debenture Trustee may enforce the security in respect of the NCDs as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the NCDs will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the transaction security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the NCDs. The value realised from the enforcement of the transaction security may be insufficient to redeem the NCDs.

Fluctuations in the market values of the assets over which security has been provided in respect of loans provided by the Company could affect the Company's liquidity and reduce the Issuer's ability to enforce the security, which could adversely affect the Company's result of operations and financial condition. The Company may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and the Company's assessments, assumptions or estimates may prove inaccurate.

57. Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in india or abroad

As on the date of this Draft Prospectus, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Company.

58. In case of outstanding debt instruments or deposits or borrowings:

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date hereof, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date hereof, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date hereof, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, housing finance companies registered with National Housing Board that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date hereof, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

OTHERS: A failure to observe the covenants under the Issuer's financing arrangements or to obtain necessary consents required thereunder may lead to the termination of the Issuer's 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 the Issuer's other financing agreements. If the obligations under any of the Issuer's financing documents are accelerated, the Issuer may have to dedicate a substantial portion of the Issuer's cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for the Issuer's working capital requirements and other general corporate purposes. Further, during any period in which the Issuer is in default, the Issuer may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect the Issuer's business, credit rating and financial condition, cash flows and results of operations. If the Issuer fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare the Issuer to be in default under the terms of the Issuer's agreements or accelerate the maturity of the Issuer's obligations. The Issuer cannot assure the Investors that, in the event of any such acceleration, the Issuer will have sufficient resources to repay the borrowings.

PROMINENT NOTES

1. This is a public issue of NCDs by our Company aggregating up to ₹ 5,200 lakhs with an option to retain over-subscription of up to ₹ 4,800 lakhs, aggregating to a total of ₹ 10,000 lakhs.
2. For details on the interest of our Company's Directors, please see "Our Management" and "Capital Structure" on pages 107 and 42 respectively.
3. Our Company has entered into certain related party transactions and disclosed in "Financial Statements" on page 118.
4. Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
5. Investors may contact the Registrar to the Issue, Company Secretary & Compliance Officer and Lead Manager for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact Registrar to the Issue. All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the respective Stock Exchange.
6. In the event of oversubscription to the Issue, allocation of NCDs will be as per the "Basis of Allotment" set out in "Issue Procedure" on page 190.
7. Our Equity Shares are currently not listed on any Stock Exchange.
8. For further information, relating to certain significant legal proceedings that we are involved in, see "Outstanding Litigation" on page 146.

GENERAL INFORMATION

Our Company was incorporated as “Satyaprakash Housing Finance India Limited” under the Companies Act, 1956 on October 26, 1998 with the Registrar of Companies, Madhya Pradesh and received the Certificate for Commencement of Business on November 18, 1998. The name of the Company was subsequently changed from “Satyaprakash Housing Finance India Limited” to “India Shelter Finance Corporation Limited” and the fresh Certificate of Incorporation was issued by Registrar of Companies, Madhya Pradesh and Chattisgarh on July 08, 2010. Thereafter, the registered office of the Company was shifted from the state of Madhya Pradesh to Gurugram, Haryana and the Certificate of Registration of Company Law Board Order for Change of State was received on April 28, 2011. The CIN of our Company is U65922HR1998PLC042782.

NHB Registration

Our Company is a housing finance company (‘HFC’) as defined under Section 29A(5) of National Housing Bank Act, 1987 and registered with effect from September 14, 2010 having Registration No. 09.0087.10. Further, the Government of India (GoI) has, vide its Gazette Notification No. S.O. 2405I dated June 17, 2021 notified the HFCs registered under Section 29A(5) of National Housing Bank Act, 1987 and having assets worth ₹100 crore & above, as ‘Financial Institution’ under Section 2(1)(m)(iv) of SARFAESI Act, 2002. In accordance with the same, our Company is being classified as a Financial Institution.

Our Company is engaged in the business of housing finance and primarily caters to the middle and lower-middle sections of the society with informal income documentation and provides affordable housing loans & non-housing loans. Our product portfolio comprises financing for new home purchase, expanding and upgrading existing homes, loans for home construction on pre-purchased land and loan against property.

Registered Office

6th Floor, Plot No. 15
Sector - 44, Institutional Area
Gurugram - 122 002, Haryana, India
Tel No: +91 124 413 1813
Email: mukti.chaplot@indiashelter.in
Website: www.indiashelter.in

For details of change in Registered Office, refer to “History and Certain Corporate Matters” on page 89 of this Draft Prospectus.

Registrar of Companies

Registrar Of Companies, NCT Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place, New Delhi - 110 019
Tel. No.: +91 11 2623 5703, 2623 5708
Fax No.: +91 11 2623 5702
E-mail: roc.delhi@mca.gov.in

Registration Details

Company Registration Number with RoC	042782
Corporate Identity Number	U65922HR1998PLC042782
NHB Registration Certificate Number under Section 29A(5) of National Housing Bank Act, 1987	09.0087.10
Legal Entity Identifier No (LEI)	335800LYXG6JYBGK1K19
PAN	AAGCS7358Q
GST	06AAGCS7358Q1ZI

Chief Financial Officer

Mr. Ashish Gupta

6th Floor, Plot No. 15
Sector - 44, Institutional Area
Gurugram - 122 002, Haryana, India
Tel No: +91 124 413 1813
Email: ashish.gupta@indiashelter.in

Company Secretary and Compliance Officer**Ms. Mukti Chaplot**

6th Floor, Plot No. 15
Sector - 44, Institutional Area
Gurugram - 122 002, Haryana, India
Tel No: +91 124 413 1813
Email: mukti.chaplot@indiashelter.in

Applicants or prospective investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of allotment advice, credit of allotted NCBs in beneficiary accounts, refund amounts, interest on the Application amounts, non-receipt of debenture certificates (where NCBs have been re-materialised) etc., as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Options of NCDs applied for, amount paid on application, Depository Participant name and client identification number and the collection centre of the Members of the Consortium 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 either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the Member of the Consortium and the relevant Designated Branch of the SCSB concerned 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, Option applied for, number of NCBs 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.

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

Lead Manager to the IssueThe logo for Sundae Capital Advisors Private Limited, featuring the word "SUNDAE" in a blue serif font. The letter "A" is replaced by a red circle containing a white triangle, which is a stylized representation of the Sundae brand.**Sundae Capital Advisors Private Limited**

SEBI registration number: INM000012494
CIN: U65990DL2016PTC305412
Level 9, Platina, Plot No. C - 59
'G' Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Ph.: +91 22 6700 0639
E-mail id: indiashelter.2021@sundaecapital.com
Investor grievance E-mail id: grievance.mb@sundaecapital.com
Website: www.sundaecapital.com
Contact Person: Ashi Sood / Ridima Gulati
Compliance Officer: NitiN Somani

Consortium Member / Lead Broker

[•]

Debenture Trustee



Catalyst Trusteeship Limited

'GDA House', Plot No. 85, Bhusari Colony (Right),
Kothrud, Pune – 411 038, Maharashtra, India
Tel: +91 22 4922 0555
Fax: +91 22 4922 0505
Email: complianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
Compliance Officer: Rakhi Kulkarni
SEBI Registration No.: IND000000034

The Debenture Trustee has by its letter dated November 26, 2021 has consented to act as a Debenture Trustee in relation to the Issue under Regulation 8 of the SEBI NCS Regulations. See Annexure III for the consent letter of the Debenture Trustee.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders / Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see "Issue Procedure" on page 190 of this Draft Prospectus.

Legal Advisor to the Issue

M V Kini, Law Firm

Kini House, 6/39, Jangpura – B, New Delhi – 110 014, India
Tel No.: +91 11 2437 1038-40
Fax No.: +91 11 2437 9484
Email: raj@mvkini.com
Website: www.mvkini.com
Contact Person: Raj Rani Bhalla

Credit Rating Agency



ICRA Limited

SEBI Registration No: IN/CRA/008/2015
'The Millenia', Tower B Unit No. 1004, 10th Floor,
1 & 2 Murphy Road, Bengaluru - 560 008
Tel No: +91 80 43326401
Email: jayantac@icraindia.com
Website: www.icra.in
Contact Person: Jayanta Chatterjee

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "[ICRA] A (read as ICRA A) (Outlook: Stable]" for an amount of ₹ 21,500 lakhs by ICRA Limited vide their rating letter dated November 02, 2021 and has reaffirmed the same vide letter dated December 15, 2021. The rating of the NCDs by ICRA indicates adequate

degree of safety regarding timely servicing of financial obligations and carry low credit risk. Please refer to Annexure II of this Draft Prospectus for the rationale of the above rating.

Disclaimer Clause of ICRA Limited

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Registrar to the Issue



Skyline Financial Services Private Limited

SEBI registration number: INR000003241

D-153A, 1st Floor

Okhla Industrial Area, Phase - I

New Delhi - 110 020, India

Telephone: +91 11 4045 0193-97

E-mail Id: compliances@skylinerta.com

Contact person: Alok Gautam

Website: www.skylinerta.com

Skyline Financial Services Private Limited has by its letter dated November 30, 2021 given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium 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 either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from the applications submitted online through the application based / web interface platform of stock exchanges or through their Trading Members. The intermediaries shall be

responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the online Stock Exchange mechanisms or through Trading Members may be addressed directly to the respective Stock Exchanges.

Statutory Auditors

T R Chadha & Co, LLP

Chartered Accountants

B-30, Connaught Place, Kuthiala Building, New Delhi – 110001

Tel No: +91 11 4325 9900

Email: delhi@trchadha.com

Firm Registration No.: 006711N/N500028

Banker to the Issue

Public Issue Account, Refund Bank and Sponsor Bank



Axis Bank Limited

SEBI Registration No: INB100000017

Fortune 2000, Ground Floor, Bandra Kurla Complex,

Bandra East, Mumbai – 400 051

Tel No: +91 22 67105264

Fax No +91 22 67105260

Email: bkc.branchhead@axisbank.com

Website: www.axisbank.com

Contact Person: Shruti Khanna

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

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and informed the Debenture Trustee regarding the creation of 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.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at <http://www.sebi.gov.in>, or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above-mentioned web-link.

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Operational Circular, UPI Investors making an Application in the Issue using the UPI Mechanism, may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at [ww.sebi.gov.in](http://www.sebi.gov.in), and updated from time to time.

RTAs / CDPs

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of BSE at <http://www.bseindia.com>, for RTAs and CDPs, as updated from time to time.

Broker Centres / Designated CDP Locations / Designated RTA Locations

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

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.”*

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 the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was 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 included in the SEBI Operational Circular.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please see “Objects of the Issue” on page 49 of this Draft Prospectus.

Issue Schedule

Issue Programme	
Issue Opens on	[●]
Issue Closes on	[●]
Pay in Date	Application Date. The entire Application Amount is payable on Application
Deemed date of allotment	The date on which the Board or the Asset Liability Management Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Asset Liability Management Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for the Issue under the Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Asset Liability Management Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details refer to "Issue Procedure" on page 190 of this Draft Prospectus.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. 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 "Issue Procedure" on page 190 of this Draft Prospectus.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

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 Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

a. Our share capital as on the last quarter end, that is September 30, 2021:

Share Capital	Amount (in ₹)
Authorised Share Capital	
8,10,00,000 Equity Shares of ₹ 10/- each	81,00,00,000
Total	81,00,00,000
Issued Share Capital, Subscribed and Paid-up Capital	
4,36,15,905 Equity Shares of ₹ 10/- each	43,61,59,050
Total	43,61,59,050
Securities Premium	6,85,74,81,619

The Issue will not result in any change in the paid-up share capital of our Company due to issue and allotment of the NCD.

b. Changes in the authorised share capital of our Company for the last three years preceding the date of this Draft prospectus as on September 30, 2021

There has been no change in the authorised share capital of our Company for the last three years preceding the date of this Draft Prospectus.

c. Equity Share capital history of our Company for the last three years preceding the date of this Draft Prospectus as on September 30, 2021

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Consideration (Cash, Other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital	Securities Premium *	
Opening Balance as on September 30, 2018						3,59,18,018	35,91,80,180	4,83,48,03,124	-
24/10/2018	56,06,854	10	347.79	Cash	Preferential allotment	4,15,24,872	41,52,48,720	6,72,87,42,337	Note 1
08/01/2019	3,42,915	10	11.54	Cash	ESOP	4,18,67,787	41,86,77,870	6,73,00,51,264	Note 2
08/01/2019	2,29,200	10	13.27	Cash	ESOP	4,20,96,987	42,09,69,870	-	Note 3
08/01/2019	7,500	10	14.18	Cash	ESOP	4,21,04,487	42,10,44,870	-	-
01/02/2019	3,00,000	10	118.48	Cash & Non cash	Sweat Equity	4,24,04,487	42,40,44,870	6,77,84,64,547	Note 4
06/04/2019	1,56,668	10	11.54	Cash	ESOP	4,25,61,155	42,56,11,550	6,78,12,70,928	-
06/04/2019	18,750	10	13.27	Cash	ESOP	4,25,79,905	42,57,99,050	-	-
06/04/2019	45,000	10	16.84	Cash	ESOP	4,26,24,905	42,62,49,050	-	-
06/04/2019	30,000	10	83.20	Cash	ESOP	4,26,54,905	42,65,49,050	-	-
06/01/2020	1,37,750	10	13.27	Cash	ESOP	4,27,92,655	42,79,26,550	6,78,19,42,113	Note 5
06/01/2020	37,500	10	14.18	Cash	ESOP	4,28,30,155	42,83,01,550	-	-
10/01/2021	1,38,250	10	13.27	Cash	ESOP	4,29,68,405	42,96,84,050	6,78,24,58,767	Note 6
10/01/2021	10,000	10	14.18	Cash	ESOP	4,29,78,405	42,97,84,050	-	-
29/04/2021	37,500	10	20.32	Cash	ESOP	4,30,15,905	43,01,59,050	6,78,28,45,767	-
25/07/2021	12,500	10	20.32	Cash	ESOP	4,30,28,405	43,02,84,050	6,79,21,46,023	-
25/07/2021	1,25,000	10	83.20	Cash	ESOP	4,31,53,405	43,15,34,050	-	-
25/07/2021	6,500	10	13.27	Cash	ESOP	4,31,59,905	43,15,99,050	-	-
08/08/2021	2,87,500	10	83.20	Cash	ESOP	4,34,47,405	43,44,74,050	6,81,54,71,803	-
08/08/2021	12,000	10	118.48	Cash	ESOP	4,34,59,405	43,45,94,050	-	-
08/08/2021	6,000	10	159.01	Cash	ESOP	4,34,65,405	43,46,54,050	-	-
08/08/2021	500	10	179.92	Cash	ESOP	4,34,65,905	43,46,59,050	-	-
23/08/2021	1,50,000	10	83.20	Cash	ESOP	4,36,15,905	43,61,59,050	6,85,74,81,619	-
Closing Balance as on September 30, 2021						4,36,15,905	43,61,59,050	6,85,74,81,619	-

1. Allotment of 32,70,664 equity shares to Aravali Investment Holdings, 14,01,714 equity shares to Nexus Opportunity Fund II, Ltd and 8,63,478 equity shares to Sequoia India Growth Investments I and 2,70,998 equity shares to Madison India Opportunities IV
2. Allotment of equity shares under employees stock option scheme of the Company, including 185,000 equity shares to Anil Mehta
3. Allotment of equity shares under employees stock option scheme of the Company, including 97,500 equity shares to Anil Mehta

4. Allotment of 3,00,000 equity shares to Mr. Anil Mehta, Promoter of the Company, as sweat equity shares for a part cash consideration of Rs. 30 per equity share and the balance of Rs. 88.48 per equity shares was credited to securities premium account as sweat equity expense.
5. Allotment of equity shares under employees stock option scheme of the Company, including 97,500 equity shares to Anil Mehta
6. Allotment of equity shares under employees stock option scheme of the Company, including 1,20,000 equity shares to Anil Mehta

d. Right to Subscribe agreement with Mr. Anil Mehta

Our Company has entered into a Right to Subscribe Agreement on June 08, 2021 with Mr. Anil Mehta, wherein Mr. Anil Mehta has a right to subscribe to 3,55,000 equity shares of our Company at a price of Rs. 83.20 (Rupees eighty three and paise twenty only) per equity share including premium, in accordance with the following subscription schedule and subject to the terms and conditions of this Agreement:

Tenure for accrual of the right to subscribe	Accrual of the right to subscribe
June 03, 2016	Upto a cumulative total of 25% of the subscription
June 03, 2017	Upto a cumulative total of 50% of the subscription
June 03, 2018	Upto a cumulative total of 75% of the subscription
June 03, 2019	Upto a cumulative total of 100% of the subscription

In accordance with the aforesaid Right to Subscribe Agreement, as amended by shareholders in the general meeting held on July 26, 2021, the intention to subscribe shall be communicated prior to the expiry of 7 (seven) years from the date he is entitled to subscribe to the relevant subscription shares.

e. Details of any acquisition or amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year.

f. Details of any reorganization/ reconstruction in the last one year

Our Company has not made any reorganization/ reconstruction in the last one year.

- g. Our Company has established three stock option schemes 'Employee Stock Option Plan - 2012' ("ESOP 2012"), 'Employee Stock Option Plan - 2017' ("ESOP 2017") and 'Employee Stock Option Plan -2021' (ESOP 2021). ESOP 2012 was approved by the board of directors on August 17, 2012 and by the shareholders in EGM dated September 29, 2012. ESOP 2017 was approved by the board of directors on November 10, 2017 and by the shareholders in EGM dated January 31, 2018. ESOP 2021 was approved by the board of directors on May 12, 2021 and by the shareholders in EGM dated July 26, 2021. The number of options outstanding as on September 30, 2021 is 31,29,094.

h. Details of the shareholding of the Company as on September 30, 2021, as per the format specified under the listing regulations:

Table I: Summary statement holding of specified securities

Category	Category of shareholders	No. 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 no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form	
								(as a % of (A+B+C))	No. of voting rights				Total as % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	10,95,367	-	-	10,95,367	2.51%	10,95,367	-	10,95,367	2.51%	-	-	3,00,000	27.38%	-	-	10,95,367
(B)	Public	34	4,25,20,538	-	-	4,25,20,538	97.49%	4,25,20,538	-	4,25,20,538	97.49%	-	-	-	-	-	-	3,23,89,208
(C)	Non promoter non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	35	4,36,15,905	-	-	4,36,15,905	100%	4,36,15,905		4,36,15,905	100%	-	-	3,00,000	27.38	-	-	3,34,84,575

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category of share-holders *	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of Equity Shares held in dematerialised form	
								(as a % of (A+B+C))	No. of voting rights				Total as % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)	(XIII)	(XIV)		
A(1)	Indian																	
(a)	Individuals	1	10,95,367	-	-	10,95,367	2.51%	10,95,367	-	10,95,367	2.51%	-	2.51%	3,00,000	27.38%	-	-	10,95,367
(b)	Hindu Undivided Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total A(1)	1	10,95,367	-	-	10,95,367	2.51%	10,95,367	-	10,95,367	2.51%	-	2.51%	3,00,000	27.38%	-	-	10,95,367
A(2)	Foreign																	
(a)	Individuals (Non resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total A(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	1	10,95,367	-	-	10,95,367	2.51%	10,95,367	-	10,95,367	2.51%	-	2.51%	3,00,000	27.38%	-	-	10,95,367

Table III: Statement showing shareholding pattern of public shareholder

Category	Category of shareholders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares under lying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of Equity Shares held in dematerialised form	
								Class X	Class Y	Total			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
																		(VIII)
1	Institutions																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternative Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Central Government / State Government (s)/ President of India																	
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Non Institutions																	
(a)	Individual shareholders holding nominal share capital upto ₹ 2.00 lakh	22	1,14,615	-	-	1,14,615	0.26%	1,14,615	-	1,14,615	0.26%	-	0.26%	-	-	-	-	1,14,615

Category	Category of shareholders	No. 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 no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of Equity Shares held in dematerialised form	
								(as a % of (A+B+C 2))	No. of voting rights				Total as % of total voting rights	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
	Individual shareholders holding nominal share capital in excess of ₹ 2.00 lakh	2	59,064	-	-	59,064	0.14%	59,064	-	59,064	0.14%	-	0.14%	-	-	-	-	23,500
(b)	Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HUF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Overseas Corporate Bodies	8	3,99,33,400	-	-	3,99,33,400	91.56%	3,99,33,400	-	3,99,33,400	91.56%	-	91.56%	-	-	-	-	2,98,37,634
	Non resident Indians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	LLP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trustee, holding shares on behalf of Trust	2	24,13,459	-	-	24,13,459	5.53%	24,13,459	-	24,13,459	5.53%	-	5.55%	-	-	-	-	24,13,459
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)	34	4,25,20,538	-	-	4,25,20,538	97.49%	4,25,20,538	-	4,25,20,538	97.49%	-	-	-	-	-	-	3,23,89,208

- i. List of top 10 holders of equity shares of the Company as on September 30, 2021:

Sr. No.	Name of Shareholders	No. of Equity Shares held	Shares held in demat form	%age
1	WestBridge Crossover Fund, LLC	1,08,54,151	1,08,54,151	24.89%
2	Aravali Investment Holdings	1,05,92,073	1,05,92,073	24.28%
3	Nexus Ventures III. Ltd	99,61,798	-	22.84%
4	Nexus Opportunity Fund II Ltd	29,10,037	29,10,037	6.67%
5	Milestone Trusteeship Private Limited acting as trustee for Madison India Opportunities Trust Fund	23,79,954	23,79,954	5.46%
6	Sequoia Capital India Growth Investments I	21,70,560	20,36,592	4.98%
7	Sequoia Capital India Investments III	14,48,776	14,48,776	3.32%
8	Starrock	13,62,537	13,62,537	3.12%
9	Anil Mehta	10,95,367	10,95,367	2.51%
10	Madison India Opportunities IV	6,33,468	6,33,468	1.45%

- j. Material changes in shareholding of top 10 shareholders of our Company, except Mr. Anil Mehta whose details are given under para (l) below, after September 30, 2021 are as under:

Aravali Investment Holdings, one of the existing shareholders of the Company, acquired 36,19,336 (thirty six lakhs, nineteen thousand, three hundred and thirty-six) Equity Shares of the Company on October 26, 2021 from 2 (two) other existing shareholders, namely Sequoia Capital India Growth Investments I and Sequoia Capital India Investments III (Sellers), constituting 8.42% of the total issued, subscribed and paid up equity share capital of the Company as on March 10, 2021, that was, Rs. 42,97,84,050 divided into 4,29,78,405 Equity Shares of Rs. 10/- each. This resulted in the Aravali Investment Holdings and its affiliate WestBridge Crossover Fund, LLC, to collectively hold, 58.32% of the total fully paid-up equity capital of the Company. (Aravali Investment Holdings and its affiliate WestBridge Crossover Fund, LLC, to be collectively referred to as “**WestBridge**”). The present holding of WestBridge, as on the date of this Draft Prospectus, is 250,65,560 equity shares aggregating to 57.47% of the present paid up capital of the Company.

Pursuant to the above acquisition, WestBridge also acquired the right to nominate a majority of the non-independent directors on the Board of Directors of the Company.

Further, our Company has also received the approval from the Reserve Bank of India on September 03, 2021 for the said change in the shareholding of the Company.

- k. None of the Equity Shares have been pledged or otherwise encumbered by our Promoter and Promoter Group.
- l. Our Promoter has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Draft Prospectus, except sale of equity shares as under:

Name of purchaser	Date of Sale	No. Equity Shares Sold	Consideration (in ₹ per share)
Starrock	November 29, 2021	3,41,600	561.16
Milestone Trusteeship Services Private Limited, acting as trustee for MICP Trust	November 29, 2021	8,400	561.16

- m. Our Company does not have any outstanding warrants as on date of this Draft Prospectus.

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Draft Prospectus for public issue of rated, secured, senior, listed, transferable, redeemable, non-convertible debentures of face value of ₹ 1,000 (“NCDs”) for an amount of ₹ 5,200 lakhs with an option to retain over-subscription upto ₹ 4,800 lakhs.

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“Net Proceeds”), towards funding the following objects (collectively referred to herein as the “Objects”):

1. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company); and
2. General corporate purposes.

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

The details of the proceeds of the Issue are set forth in the following table:

Sr. No.	Description	Estimated Amount (₹ in lakhs)
1.	Gross Proceeds of the Overall Issue Size	10,000
2.	Issue Related Expenses *	[●]
3.	Net Proceeds (i.e. Gross Proceeds less Issue related expenses)	[●]

**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.*

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

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*	At least 75%
2.	General corporate purposes**	Not exceeding 25%
Total		100%

** Our Company shall not utilise the proceeds of this Issue towards payment of prepayment penalty, if any.*

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

No part of the proceeds shall be utilised directly/ indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Manager and selling commission to the Lead Manager/Lead Broker, printing and distribution expenses, legal fees, advertisement expenses, fees payable to RTA, Debenture Trustee, SCSBs’ commission / fees, listing fees, commission and fees payable to the intermediaries as provided for in the SEBI Operational Circular, and any other expense directly related to Issue.

The estimated breakdown of the total expenses for this Issue is as follows*:

Particulars	Amount (₹ in lakhs)	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees	[●]	[●]	[●]
Lead Manager Fee, Legal Counsel Fee, Selling and Brokerage Commission, SCSB Processing Fee	[●]	[●]	[●]
Advertising and Marketing, Printing and Stationery Costs	[●]	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]	[●]
Grand Total	[●]	[●]	[●]

*Assuming the Issue is fully subscribed.

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

Purpose for which there is a Requirement of Funds

As stated in “Issue Proceeds” above.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

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

Monitoring of Utilisation of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board and Audit Committee shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2021-2022, our Company will disclose in our financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise 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 Exchange. Further, in accordance with the SEBI LODR Regulations, our Company will furnish to the Stock Exchange(s) on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results in the terms of and as per the format prescribed by Circular SEBI/HO/DDHS/08/2020 dated January 17, 2020. Our Company shall utilise the proceeds of the Issue only upon execution of the documents for creation of Security and the Debenture Trust Deed and receipt of listing and trading approval from the Stock Exchange as stated in this Draft Prospectus in “Terms of the Issue” on page 174.

Other Confirmation

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

The Issue proceeds 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 this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the NHB guidelines on bank financing to HFC including those relating to classification as capital market exposure or any other sectors that are prohibited under the NHB regulations.

Our Company confirms that it will not use or apply the proceeds of the Issue for (a) the purchase of any business, (b) the acquisition of any immovable property, including indirect acquisition for which advances have been paid to even third parties, or (c) directly or indirectly and in any manner resulting in the acquisition by the Company of securities of any other body corporate.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any interest in any business by reason of which, or anything to be done in consequence thereof, or in connection therewith, the Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof.

Variation in terms of contract or objects

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

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
3. Details of all monies utilised shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
4. Details of all unutilised monies out of issue of NCDs, 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 the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;
5. The Issue proceeds 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;
6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Draft Prospectus in "Issue Structure" on page 152 of this Draft Prospectus;

7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
8. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 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.

Benefit or Interest accruing to Promoters or Directors out of the objects of the Issue

There is no benefit or interest accruing to the Promoter or Directors from the Objects of the Issue.

STATEMENT OF TAX BENEFITS

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

To,
The Board of Directors,
India Shelter Finance Company Limited
6th Floor, Plot No. 15
Sector - 44, Institutional Area
Gurugram - 122 002, Haryana, India

Dear Sir(s),

Sub: Statement of Possible Tax Benefits available to Debenture Holders in connection with the Proposed Public Issue by India Shelter Finance Company Limited of Secured Redeemable Non-Convertible Debentures ('NCDs' or 'Debentures') of face value of Rs. 1,000 each for an amount up to Rs. One Hundred crores

We hereby confirm that the enclosed statement in **Annexure** states the possible tax benefits available to the Debenture holders of the Company under the Income-tax Act, 1961 (the Act) as amended by the Finance Act, 2021 i.e. relevant to the Assessment Year 2022-23 presently in force in India.

Several of these benefits are dependent on the Company or its debenture holders fulfilling the stipulated conditions prescribed under relevant provisions of the Act and the eligibility thereon. Hence, the ability of the Company or its Debenture holders to derive the tax benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company or its Debenture holders may or may not choose to fulfill.

The benefits stated in the enclosed statement are neither exhaustive nor conclusive and the preparation of the said statement and the content therein is the responsibility of the Company's Management. The statement is designed to provide general information to the debenture holders and must not be substituted for professional tax advice.

Our views are based on existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective shall have an effect on the views expressed herein. We do not assume any obligation to update this statement on any events subsequent to its issue, which may have an effect on the discussions herein.

In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the debenture holders to invest money based on this statement.

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

1. The Company or its debenture holders will continue obtain these benefits in future;
2. The conditions prescribed for availing these benefits have been/would be met with;
3. The Revenue authorities/Courts will concur with the views expressed herein

The contents of the statement are based on information, explanation and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

This report has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

For **MRKS AND ASSOCIATES**
ICAI Firm Registration No. 023711N
Chartered Accountants

Aseem Garg
Partner
Membership No. 508634
Date: 23rd December 2021
Place: Delhi
UDIN: 21508634AAAAWS3719

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

The Annexure is based on the provisions of the Income-tax Act, 1961 (IT Act), as on date.

This Annexure 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.

Taxability under the IT Act

1. Taxability under various heads of Income

The returns received by the investors from NCD in the form of interest and the gains on the sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and Gains from Business;
- Income from Capital Gains; and
- Income from Other Sources.

The returns from the investment in the form of interest would generally be subject to tax under the head “Income From Other Sources”. Under certain circumstances depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head “Profits and gains from business”.

The gains from the sale of the instrument or security may be characterised either as “Profits and gains from business” or as “Capital Gains”. This is discussed in the following paragraph.

“Profit and Gains from Business” versus “Capital Gains”

Gains from the transfer of securities/instruments of the investee companies may be characterised as “Capital Gains” or as “Profits and Gains from Business” in the hands of an investor, depending upon whether the investments in the NCD is held as an ‘investments’ or as ‘stock in trade’. This can vary based on the facts of each investor’s case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether there exists an intention to earn a profit from sale or to earn interest, etc.)

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

2. Taxation of Interest, Profits from Business and Capital Gains

Income by way of interest received on debentures, bonds, and other debt instruments held as an investment will be charged to tax as under the head “Income from Other Sources” at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures, bonds or other debt instruments held as stock-in-trade and sold before their maturity, the interest accrued thereon till the date of sale and included in the sale price, may also be charged to tax as “business income” (treatment separately discussed below).

Further, in case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterised as “capital gains” (treatment separately discussed below).

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of “Profits and gains from business”.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a ‘net’ basis (that is, net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

The “Profits and Gains from Business” so computed, as reduced on account of set-off of losses in accordance with Chapter VI of the IT Act and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions, if any, available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (Refer Note 1 and Note 2).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.

Taxation of Profits and gains from business

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of “Profits and gains from business”.

Taxation of Capital Gains

As discussed above, based on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of capital assets and hence the gains from the transfer/ sale of such investments would be considered to be in the nature of “capital gains”.

As per section 2(14) of the IT Act, the term ‘capital asset’ had been defined to, *inter alia*, mean any securities held by a foreign institutional investor which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992.

- **Period of holding – long-term & short-term capital assets**

Taxability of investments primarily depends on Nature of Capital Asset and Period of Holding.

A security (other than a unit) listed on a recognised stock exchange in India or zero-coupon bond (as defined) held for a period of more than 12 months is considered long-term capital asset.

In case of share of an unlisted company and immovable property, it will be considered as a long-term capital asset where it is held for a period of more than 24 months.

Any assets (other than as described above), are considered long-term capital assets where they are held for a period of more than 36 months.

The above assets, where held for a period of not more than 12 months/ 24 months/ 36 months, as the case may be, will be treated as short-term capital assets.

The gains arising from the transfer of long-term capital assets are termed as long-term capital gains. The gains arising from the transfer of short-term capital assets are termed as short-term capital gains.

- **Computation of capital gains**

Capital gains are computed after reducing from the consideration received from the transfer of the capital

asset, the cost of acquisition of such asset and the expenses incurred wholly and exclusively in connection with the transfer.

- **Nature of transactions and resultant capital gain treatment**

The capital gains tax treatment of transactions is given in Note 4.

The following transactions would attract the “regular” capital gains tax provisions:

- ✓ Transactions of sale of debentures, bonds, listed or otherwise; and
- ✓ Transactions in structured debentures.

- **Set off of capital losses**

Long-term capital loss of a year can be set off only against long-term capital gains arising in that year and cannot be set off against short-term capital gains arising in that year. On the other hand, short-term capital loss in a year can be set off against both, short-term and long-term capital gains of the same year.

Unabsorbed short-term and long-term capital loss of prior years can be separately carried forward for not more than eight assessment years immediately succeeding the assessment year for which the first loss was computed, provided the Return of Income (ROI) is filed within the original due date. Unabsorbed short-term capital loss shall be eligible for set off against short-term capital gains as well as long-term capital gains. However, unabsorbed long-term capital loss shall be eligible to be set off only against long-term capital gains.

- **Taxability of non-resident investors under the tax treaty**

In case of non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) (which is in force) income-tax is payable at the rates provided in the IT Act, as discussed below, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident investor, subject to conditions prescribed

For non-residents claiming such tax treaty benefits, the IT Act mandates the obtaining of a Tax Residency Certificate (“TRC”) from the home country tax authority.

Section 90(5) of the IT Act provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 (“Rules”) has been issued prescribing the format of information to be provided under section 90(5) of the IT Act, i.e. in Form No 10F. Where the required information is not explicitly mentioned in the TRC, the assessee shall be required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

- **General Anti Avoidance Rules (“GAAR”)**

The General Anti Avoidance Rule (“GAAR”) was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

- **Widening of taxability of Capital Gains**

In the context of taxation of capital gains, the definitions of “capital asset” and “transfer” are widened with retro-effect from 1 April 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets situated in India.

- **Withholding provisions**

The withholding provisions provided under the Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below.

Sr. No.	Scenarios	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	<ul style="list-style-type: none"> ➤ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. ➤ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if: <ul style="list-style-type: none"> • the amount of interest paid to such person in a financial year does not exceed INR 5,000; and • such interest is paid by an account payee cheque ➤ Further, no tax is required to be deducted 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 (42 of 1956) and the rules made thereunder.
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FPI)	<ul style="list-style-type: none"> ➤ Tax deduction on interest from NCD issued to FPIs should be made as per sections 196D read with section 115AD of the IT Act i.e. at 20 per cent subject to relief under the relevant DTAA, if any. ➤ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.
3	Withholding tax rate on interest on NCD issued to non-residents other than FPIs	<ul style="list-style-type: none"> ➤ Interest payable to non-resident (other than FPI) would be subject to withholding tax at the rate of 30 per cent/40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident. ➤ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.
4	Withholding tax rate on purchase of 'goods'	<ul style="list-style-type: none"> ➤ As per section 194Q of the IT Act, inserted by FB, 2021, w.e.f. July 01, 2021, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent. ➤ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out. ➤ TDS shall not be applicable where; <ul style="list-style-type: none"> • Tax is deductible under any of the provisions of the IT Act; or

		<ul style="list-style-type: none"> • Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies <p>➤ Given that the term ‘goods’ has not been defined under the proposed section 194Q of the Act and there exists lack of clarity on whether the term ‘goods’ would include ‘securities’, it is advisable that the investors obtain specific advice from their tax advisors regarding the same.</p> <p>➤ The CBDT vide its circular no. 13 of 2021 dated 30th June, 2021 has provided guidelines under section 194Q of the Act for removal of difficulties. It provides clarity on several aspects, including the following:</p> <ul style="list-style-type: none"> • Provisions of section 194Q shall not be applicable in relation to transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation including recognized stock exchanges or recognized clearing corporations located in International Financial Services Centre • Despite the said section coming into effect from July 01, 2021, the threshold limit of INR 50 Lakhs shall be computed from April 01, 2021 and any payment made/amount credited to the seller prior to June 30, 2021 the TDS section shall apply. • However, if neither payment of sum/credit of amount has taken place before July 01, 2021, the said section shall not apply. • Further, provisions of this section shall apply to a non-resident buyer whose purchase of goods from resident seller is effectively connected with permanent establishment of such non-resident.
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Notes:

Note 1: Tax rates

Resident Individuals and Hindu Undivided Families

The individuals and HUFs are taxed in respect of their total income at the following rates:

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 1,000,000	20 per cent of excess over Rs 500,000 + Rs 12,500 [§]
Exceeding Rs 1,000,000	30 per cent of excess over Rs 1,000,000 + Rs 112,500 [§]

[@]A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.”

* plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

[#] for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to

be read as Rs 300,000 and for resident senior citizens of eighty years of age and above (“super senior citizen) Rs 250,000’ has to be read as Rs 500,000.

⁵Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

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, the following shall be the rate of tax applicable:

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

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.”

* plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

Partnership Firms & LLP’s

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

Domestic Companies

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)
Domestic companies having turnover or gross receipts of less than Rs 400 Cr in FY 2019-20	25 percent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 percent

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 percent
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2023, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 percent
Domestic companies not falling under any of the above category	30 percent

Note 2: Surcharge (as applicable to the tax charged on income)**Non-corporate assesseees other than firms and co-operative societies (other than FPIs)**

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 50lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 1crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the Act) does not exceed Rs2 crore but total income (including dividend income and income under the provisions of section 111A and section 112A of the Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 2crore but does not exceed Rs 5 crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act
Where total income (excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act) exceeds Rs 5crore	- 37 per cent on tax on income excluding dividend income and income under the provisions of section 111A and section 112A of the IT Act - 15 per cent on tax on dividend income and income under the provisions of section 111A and section 112A of the IT Act

FPIs (Non – corporate)

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore	15 per cent on total tax

Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore but does not exceed Rs 5 crore	<ul style="list-style-type: none"> - 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 5 crore	<ul style="list-style-type: none"> - 37 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

For assesseees other than those covered above

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where taxable income does not exceed Rs 1 crore
	12 per cent where income exceeds Rs 1 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where taxable income does not exceed Rs 1 crore
	7 per cent where taxable income does not exceed Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where taxable income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of taxable income)
Foreign Companies (including corporate FPIs)	Nil where taxable income does not exceed is equal to or less than Rs 1 crore
	2 per cent where taxable income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where taxable income exceeds Rs 10 crore

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

Note 3: Taxability of interest income

For all Residents (including Indian Corporates)

In case of residents, where interest income is taxable as 'income from other sources' or 'income from business or profession' should be chargeable to tax as per the rates given in Note 1 and Note 2 above.

For Non-residents (other than FPI entities)

In case of non-residents, under the IT Act, the interest income should be chargeable to tax at the rate of 30/40 per cent depending on the status of the non-resident (plus applicable surcharge and health and education cess).

However, the above is subject to any relief available under DTAA and any Covered Tax Agreement (CTA) entered into by the Government of India.

For FPI entities

The interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act.

However, the above is subject to any relief available under DTAA and any CTA entered into by the Government of India.

Note 4: Regular capital gains tax rates

1. Tax on Long-term Gains

1.1 For all Residents (including Indian Corporates)

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

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

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

1.2 For Resident Individuals and HUFs only

Where the taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at a rate of 20 per cent with indexation (plus applicable surcharge and health and education cess – Refer Note 2).

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

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

1.3 For Non-Resident Individuals

Long-term capital gains (other than long-term capital gains chargeable under section 112A of the IT Act) in case of listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess – Refer Note 2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess – Refer Note 2) without indexation.

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

1.4 For FPI entities

As per section 115AD of the IT Act, long term capital gains on transfer of NCD by FPI are taxable at 10 per cent (plus applicable surcharge and cess).

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

2. Tax on Short-term Capital Gains

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

In case of FPI, as per section 115AD of the IT Act, short term capital gains on transfer or sale of NCDs are taxable at the rate of 30 per cent (plus applicable surcharge and health and education cess – Refer Note 2).

Note 5: Relevant definitions under the IT Act

“Securities” shall have the same meaning as assigned in section 2(h) of the Securities and Contracts (Regulation) Act, 1956, which, *inter alia*, includes:

- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- derivative;
- units or any other such instrument issued to the investors under any mutual fund scheme; and
- rights or interest in securities;

For the purpose of section 112 of the IT Act:

- “Listed securities” means the securities which are listed on any recognised stock exchange in India.
- “Unlisted securities” means securities other than listed securities.

Note 6: Amendments in the withholding tax provisions

Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.

As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS is 20 per cent or any higher rate of TDS, as may be applicable, plus applicable surcharge and health and education cess.

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.
- The FB, 2021 has inserted a section 206AB for punitive withholding tax rate for non-filers of return of income.
- As per section 206AB of the IT Act, 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%
- In cases, where both section 206AA and section 206AB are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.
- 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;
 - The aggregate amount of TDS exceeds INR 50,000 or more in each of these previous years
 - Other than a non-resident who does not have a permanent establishment in India.

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures.
- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment year 2022-23 pursuant to the Financial year 2021-22.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Debentures of the Company.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- 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.

INDUSTRY OVERVIEW

The information presented in this Chapter has been obtained from publicly available information from various sources including stock exchanges, industry websites, from publications and government and company estimates. The data may have been re-classified by us for the purpose of presentation.

The information in this section has not been independently verified by us, the Lead Manager or any of our or 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 generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, there is no assurance that the basis of the data included in the said report or the findings thereof are completely accurate or reliable. Industry and government publications are also prepared based on information as on 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.

Further the industry Chapter may be updated from time to time subject to availability of updated data from websites, reports and other documents referenced in this chapter.

GLOBAL ECONOMY

COVID-19 unleashed a once-in-a-lifetime crisis on the global economy, defying all prognoses and producing downturns in a wide swathe of countries that were deeper than the most pessimistic projections. From the time it was declared a public health emergency of international concern by WHO in January 2020, contagion rapidly flared across the globe necessitating stringent lockdowns that resulted in even larger disruptions to activity, even as the sheer scale of infections challenged testing and hospital intensive care capacity. Globally, GDP outcomes in the first quarter of 2020 were worse than expected, but there were notable exceptions of which India was one. In the second quarter, however, the pandemic took down all economies in its path, producing a deep, synchronised plunge which was unprecedented. Unlike in other recessions, private consumption demand, services output and the labour market, especially for low-skilled workers who do not have the option of working from home, went into a marked retrenchment, reflecting the combination of social distancing, activity and mobility restrictions, steep income losses, and severely dented consumer confidence. Businesses cut back on investment in the face of the evaporation of demand, supply chain disruptions and pessimism about future earnings. Thus, the pandemic produced a fusion of a broad-based aggregate demand shock and a lockdown-induced supply shock.

Towards the close of the second quarter and into the third quarter, infections abated in many countries. As economies re-opened and there was a pick-up in mobility, the global economy began climbing out of the recession. Overall activity normalised faster than anticipated, with private consumption rebounding the most vigorously. In some economies, GDP outturns surprised on the upside, supported by public transfers and investment. Global trade began recovering with the restart of activity and a strong pickup in external demand.

By late September 2020, however, the pandemic began to spread again, with the number of confirmed infections worldwide touching 34 million, with over a million deaths. Moreover, there were renewed surges even where the infection curve had flattened. Consequently, countries had to slow down re-opening and reinstate lockdowns, which eventually caused GDP to decelerate globally again in the fourth quarter. By end December, multiple vaccine approvals and the launch of vaccination in some countries brought hope. Together with a progressive adaptation to pandemic protocols and additional policy measures by some countries, conditions moved into place for a strong start to the year 2021.

For the year 2020, global output sank into its steepest contraction since the Great Depression at (-) 3.3 per cent, with advanced countries' GDP down by 4.7 per cent and that of emerging and developing countries (EMDEs) by 2.2 per cent. World trade volume of goods and services shrank by 8.5 per cent. Consumer price inflation halved in advanced economies but remained broadly unchanged year-on-year in EMDEs, reflecting the firming up of non-fuel commodity prices. Crude prices, on the other hand, declined by close to 33 per cent during the year.

(Source: Reserve Bank of India Annual Report 2020-21 -

https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0RBIAR202021_F49F9833694E84C16AAD01BE48F53F6A2.PDF)

OVERVIEW OF THE INDIAN ECONOMY

The agglutination of supply disruptions, the health crisis, an unparalleled mass migration and a hostile global environment took a heavy toll on the Indian economy. A cyclical slowdown had preceded the pandemic, causing real gross domestic product (GDP) growth to register a sequential deceleration since 2017-18, which slumped into contraction under the onslaught of COVID-19. The combination of demand compression and supply disruption that took hold in its wake caused severe debilitating effects on the economy in Q1:2020-21.

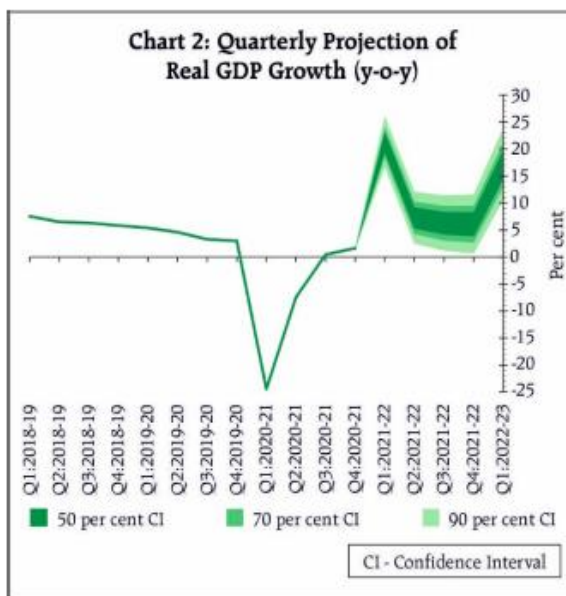
Sensing the recovery gaining traction, equity markets became ebullient, with the BSE Sensex staging a V-shaped recovery and rising over 91 per cent by end-March 2021 from the lows of March 2020, buoyed by strong corporate performance in Q2 and Q3 of 2020-21, the roll-out of a massive vaccine programme, fiscal and monetary stimulus in place and surges of capital inflows. The prospects for the Indian economy though impacted by the second wave, remain resilient backed by the prospects of another bumper rabi crop, the gathering momentum of activity in several sectors of the economy till March, especially housing, road construction and services activity in construction, freight transportation and information technology (IT). Meanwhile, the activation of the production-linked incentive (PLI) scheme, spectrum auctions and considerable easing of financial conditions are helping to shape the turnaround. On the other hand, large and medium-scale industry, mining and quarrying and several contact-intensive sectors remain subdued.

The second advance estimate (SAE) that were released by the National Statistical Office (NSO) in February 2021 revealed that aggregate demand, measured by real GDP, contracted by 8.0 per cent in 2020-21. This is the first contraction experienced since 1980-81 and the severest ever. In fact, the contraction was of the order of 15.9 per cent in the first half of 2020-21 under the full brunt of the lockdown imposed to curb the transmission of COVID-19.

Source: (<https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/II ECONOMICREVIEW650084A9F3494152939D99449E63D040.PDF>)

Economic activities gained momentum in the first quarter of year 2021 got subsequently dented by the onset of the second wave of the pandemic. Domestic economic activity is starting to recover with the ebbing of the second wave. Looking ahead, agricultural production and rural demand are expected to remain resilient. Urban demand is likely to mend with a lag as manufacturing and non-contact intensive services resume on a stronger pace, and the release of pent-up demand acquires a durable character with an accelerated pace of vaccination. Buoyant exports, the expected pick-up in government expenditure, including capital expenditure, and the recent economic package announced by the Government will provide further impetus to aggregate demand. Although investment demand is still anaemic, improving capacity utilisation and congenial monetary and financial conditions are preparing the ground for a long-awaited revival. Firms polled in the Reserve Bank surveys expect expansion in production volumes and new orders in Q2:2021-22, which is likely to sustain through Q4. Elevated levels of global commodity prices and financial market volatility are, however, the main downside risks. Taking all these factors into consideration, projection for real GDP growth is retained at 9.5 per cent in 2021-22 consisting of 21.4 per cent in Q1; 7.3 per cent in Q2; 6.3 per cent in Q3; and 6.1 per cent in Q4 of 2021-22. Real GDP growth for Q1:2022-23 is projected at 17.2 per cent.

(Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52011)



INDIA'S FINANCIAL SERVICES SECTOR

Wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was reformed as well. Thus, the principal objective of financial sector reforms was to improve the allocative efficiency of resources and accelerate the growth process of the real sector by removing structural deficiencies affecting the performance of financial institutions and financial markets.

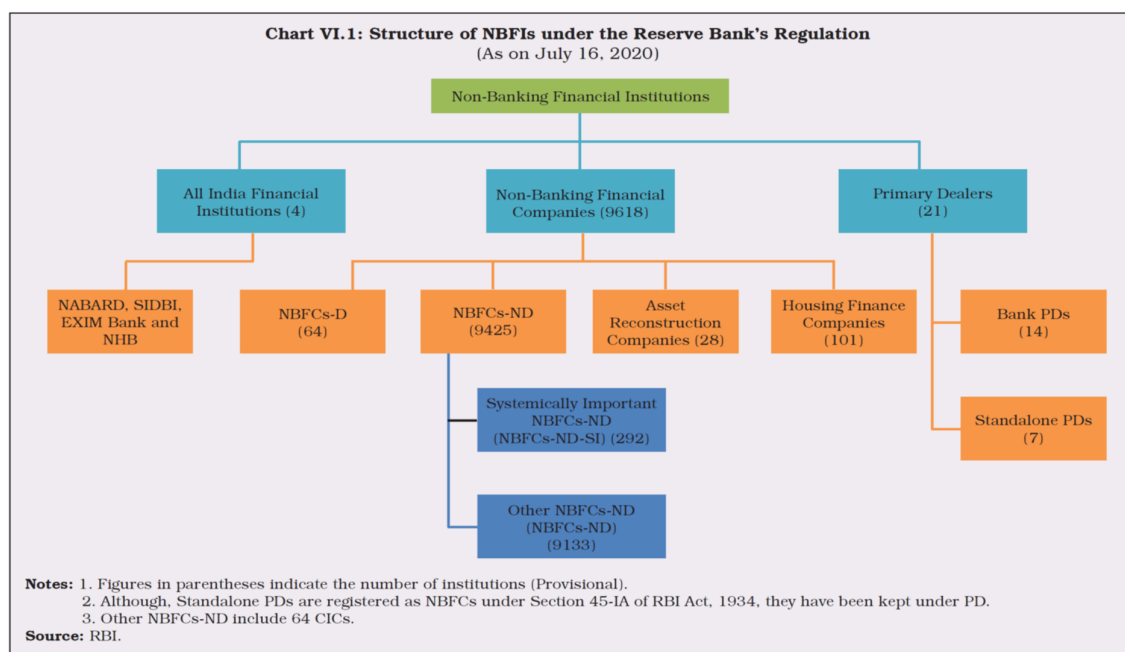
The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring accountability and financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sector were removed. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies.

Non-banking financial sector grew rapidly, but there was no regulation of their asset side. Financial markets were characterized by control over pricing of financial assets, barriers to entry, high transaction costs and restrictions on movement of funds/participants between the market segments. Apart from inhibiting the development of the markets, this also affected their efficiency.

Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.

(Source: <https://www.rbi.org.in/scripts/PublicationsView.aspx?id=14945>, <https://www.rbi.org.in/SCRIPTS/PublicationReportDetails.aspx?UrlPage=ReportonCurrencyandFinance&ID=502>, <https://ficci.in/spdocument/23386/EY-FICCI-NBFC-oct.pdf>)

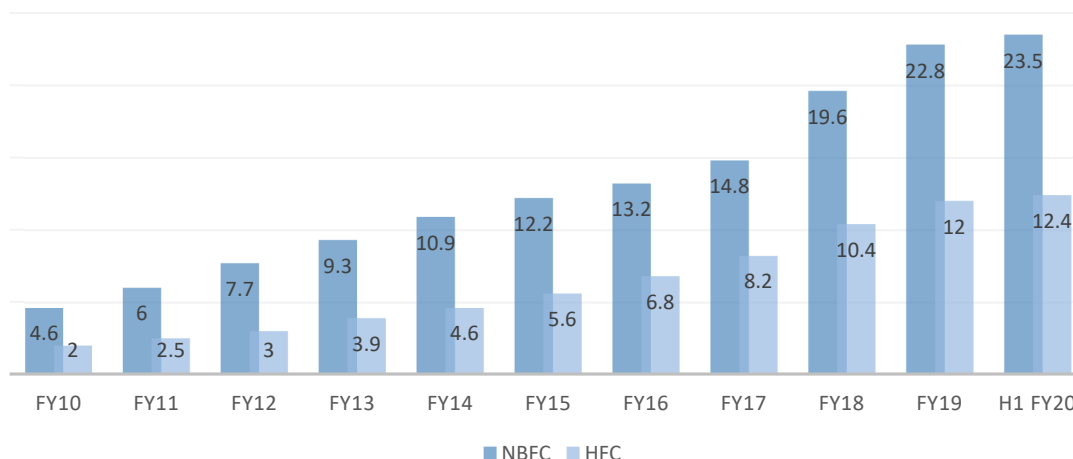
Overview of the Non-Banking Financial Institutions



Non-banking financial institutions (NBFIs) play an important role in facilitating credit intermediation in India as an alternative to bank financing, in addition to niche financing and last mile outreach. NBFIs regulated by the Reserve Bank comprise non-banking financial companies (NBFCs), housing finance companies (HFCs), all-India financial institutions (AIFIs), and primary dealers (PDs). AIFIs, i.e., the National Bank for Agriculture and Rural Development (NABARD), the EXIM Bank of India, the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, HFCs, NBFCs, Micro Finance Institutions (MFIs) and other specialised segments and institutions. NBFCs are government/public/private limited companies that play an important role in credit delivery and financial intermediation. They specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. HFCs extend housing finance to individuals, co-operative societies, corporate bodies and lease commercial and residential premises to support housing activity in the country.

Non-Banking Lenders have witnessed exponential growth in the last decade driven largely by regulatory reforms and their ability to cater to unbanked areas through innovative products and service delivery mechanisms. This was further supported by their effective collection platforms. Today, non-bank lenders constitute about 25% (over INR 35.9 lakh crore as on Sept-2019) of the systemic credit outstanding and have financed over 10 crore customers drawing strength from their extensive footprint largely in rural and semi-urban areas (70% of total branches).

Trend in credit deployment by non-bank lenders (INR Lakh Crores)

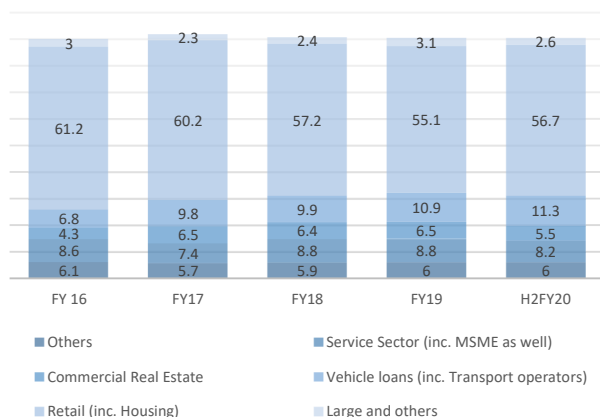


Non-bank lenders (NBFCs and HFCs) being an integral part of the Indian financial ecosystem provide underbanked/unbanked individuals and MSMEs an opportunity to be a part of the financial mainstream. They have been successful in bridging the credit gap for the entire spectrum of customers ranging from high ticket structured loans to corporates/HNIs to microfinance customers, due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of customers. They have emerged as a vehicle for financing business activities that banks neglected due to regulatory restrictions such as credit exposure constraints and sector concentration norms.

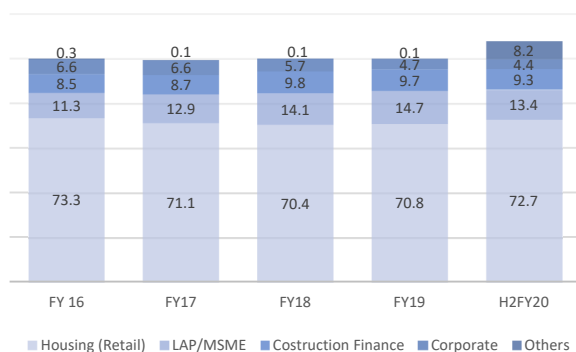
Furthermore, non-bank lenders collaborate with banks through various modes like securitization, on-lending, and business correspondents to complement credit dissemination by underwriting small ticket loans to the agriculture sector and MSMEs. Over the years, non-bank lenders have also acquired a skill-based arbitrage over banks due to continuous innovation in their business model and processes that rely on surrogate non-financial information, use of third-party sales channels and collection processes.

Non-bank lenders have gained market share from banks in key segments such as retail consumer loans, lending to micro small enterprises, vehicle loans and housing loans. They have been able to capture share by catering to underserved and unbanked customer segments.

CREDIT CONCENTRATION - NBFC



CREDIT CONCENTRATION - HFC



However, over the past two years, the non-banking finance sector came under stress due to multiple adverse events which impacted growth and profitability. COVID-19 has further amplified the stress in the system. Loan volumes for most of the non-bank lenders have come down considerably, particularly for lenders who are directly competing with banks and have limited pricing power.

Non-bank lenders continue to perform better than banks in terms of balance sheet growth and overall profitability. On relative terms, non-bank lenders can garner higher yields on their underlying assets than banks given their higher exposure to informal segments. Further, despite higher cost of funds, their net interest margins are higher translating into better risk-adjusted return (even after they operate at lower leverage vis-a-vis banks).

Non-bank lenders play an important role in the economy by financing micro and small-scale industries (informal sector) and provide employment and entrepreneurial opportunities at a ground level. Banks prefer lending to entities with stronger balance sheets or to lower risk segments such as the salaried class of people. Non-bank lenders support financially weaker sections of society by channelizing financial resources to capital formation. A large share of their assets (45%) is deployed into retail, MSME and vehicle finance segments.

Source: <https://ficci.in/spdocument/23386/EY-FICCI-NBFC-oct.pdf>

Housing & Housing Finance

Housing is a fundamental need of human existence. It is one of the key priority areas for governments, both at the Centre and the States, since the Independence and will continue to remain so. Housing development is a key driver of economic and community development, jobs, and wealth accumulation.

It is important to recognise that housing policies of the day can have a significant bearing on the trajectory of their prices and hence on the relative incentives and security coverage for various stakeholders like owners, lenders, builders, etc.

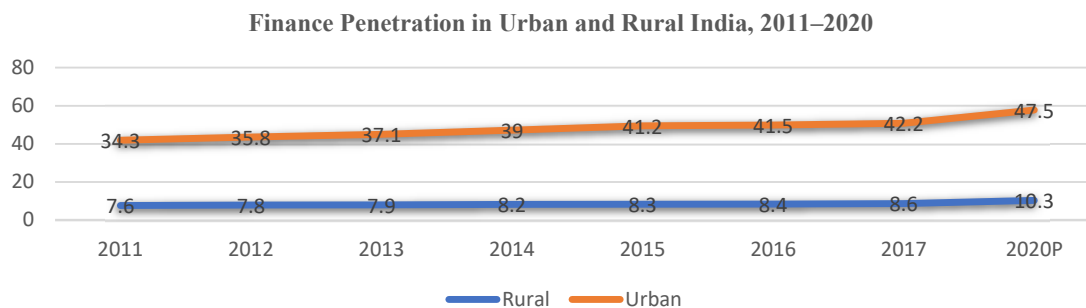
The development of a housing and housing finance market entails the conversion of a physical unit of infrastructure into a bundle of economic rights and liabilities that are standardised. The standardisation of economic agreements and legal architecture can lead to the creation of a tradeable market in such rights and liabilities. The rights in a property can create significant economic value and allow various players like lenders, tenants, service providers, etc. to take economic interest in a property. Standardised loan agreements also allow pooling, sharing and diversification of risks by bringing together different types of borrowers in a portfolio. This reduces the costs of ownership and increases the purchasing ability, as lenders have comfort in financing home-equity owners.

Like any other market, housing comprises many segments that have their unique characteristics and requirements. The various segments of housing, in the context of India, are commonly defined as ‘Economically Weaker Section’ (EWS), ‘Low Income Group’ (LIG) and ‘Middle Income Group (MIG) and above’ (MIG+). These segments are typically defined either with the income range of the principal home-owner or the loan value taken; the two variables tend to be correlated. The typical EWS, LIG and MIG+ segments have annual incomes of up to ₹three lakh, between ₹three lakh and ₹three lakh, and above ₹six lakh, respectively. The loan value cut-off in each segment is ₹10 lakh, between ₹10 lakh and ₹25 lakh, and above ₹25 lakh, respectively. This segmentation also provides a good sense of the typical profile of the borrower/homeowner in each category.

The current housing finance market in terms of value and numbers of houses has two divergent segments in terms of value and numbers. The total value of housing finance is large in the high-value segment that has relatively low numbers of houses while the very large number of houses in the informal or low-value housing tend not to command large market value. The total value of housing in India is estimated to be ~₹150 lakh crore, which is far greater than the market capitalisation of equity markets. Housing continues to remain one of the largest investment avenues for the citizens of India.

The penetration of housing finance differs across segments and each segment is served very differently by banks and HFCs. The housing finance market is relatively well-served in the MIG+ segment by commercial banks and some larger and more matured housing finance companies. As we move to the LIG and EWS, we find the proportion of loans given by HFCs, especially smaller HFCs, increases. Some of these loans are bought by banks from the HFCs to meet their priority sector lending obligation. However, in terms of disbursements, HFCs take the lead in the non-MIG+ segments.

There is also a difference in the penetration of housing finance between urban and rural areas. While the finance penetration in rural areas has lagged behind, it is catching up. This trend suggests that rural areas could have a relatively greater share of future growth in housing finance.

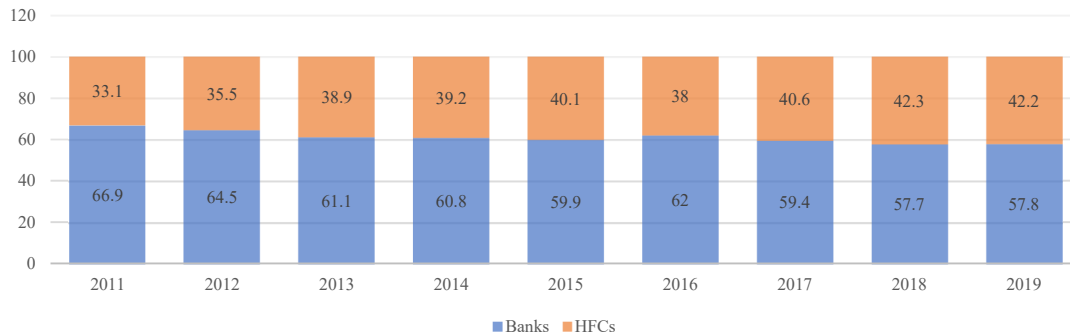


Housing Finance Companies

Presently, in India, Housing finance companies (HFCs) are specialized lending institutions which, along with Scheduled Commercial Banks, are the main purveyor of housing credit. For these providers to be able to meet the growing demand for home loans, they must have funding (or liability) sources that keep up with the growth of loans. Banks’ main funding source is deposits (time and demand) that they use to mobilise household

savings. HFCs, on the other hand, are wholesale funded in that they rely primarily on banks and, to some extent, on debt capital markets for sourcing liabilities. The HFCs have gained the market share over the years.

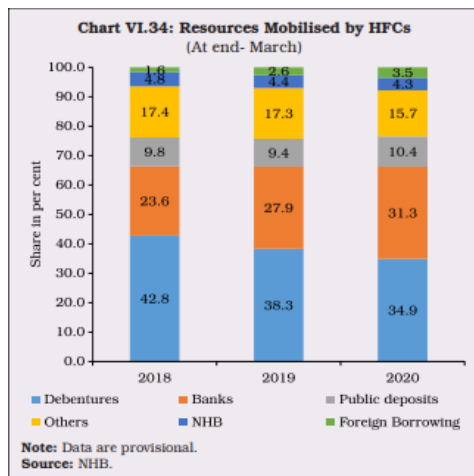
MARKET SHARE OF BANKS AND HFCs IN HOME LOANS, 2011–2019



The Finance (No.2) Act, 2019 amended the National Housing Bank Act, 1987 transferring regulation of HFCs from National Housing Bank to the Reserve Bank, effective August 9, 2019. HFCs are henceforth treated as a category of NBFCs for regulation purposes. The regulatory framework for the HFCs was comprehensively reviewed after a consultation process with the stakeholders and a revised regulatory framework was put in place in October 2020. As part of this, definition of housing finance business was introduced and principal business criteria were laid down with timelines for its phased introduction or entities to qualify as non-banking financial company-HFCs (NBFC-HFCs), failing which the entities were to be treated as NBFC-Investment and Credit Companies (NBFC-ICCs). Instructions were also provided for enhancing net owned fund (NOF) and for the phased introduction of Liquidity Risk Management Framework (LRM) and Liquidity Coverage Ratio (LCR). The guidelines also covered loan-to-value (LTV) requirements and levy of foreclosure charges. With these changes HFC regulations were harmonised with the regulations for other NBFCs to some extent.

Source: <https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/HOUSINGFINANCESECURITISATION42BEC7A160F34B56A6893ECB71223D65.PDF>

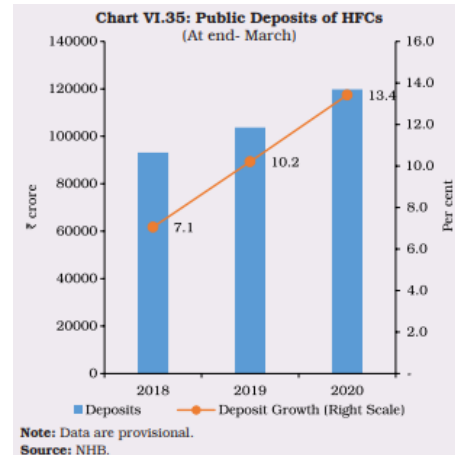
Resource Profile of Housing Finance Companies



Housing Finance Companies predominantly rely on debentures and bank borrowings for funds, constituting around sixty-six per cent of total resources. The dependence of HFCs on bank borrowings grew significantly in 2019-20, reflecting rising reliance on long term-resources amidst risk averse market conditions.

In order to infuse liquidity into the housing finance system, the National Housing Bank opened an additional window called the Liquidity Infusion Facility (LIFt) Scheme for HFCs in August 2019. The objective of this scheme is to support HFCs in creating individual housing loan portfolios that fall under the priority sector. An amount of Rs. 10,000 crore was initially allotted under the scheme. The total refinance disbursed by NHB during the 2019-20 (July-June) was Rs. 31,258 crores, out of which, Rs. 27,551 crore was disbursed to HFCs to mitigate the liquidity stress faced by them.

Public deposits are another important source of funding for HFCs. Public deposit growth accelerated in 2019-20; however, the share of deposits in total liabilities of HFCs has been steadily declining since 2015-16 till 2018-19, although it increased during 2019-20. The distribution of HFCs' deposits shows that almost 98 per cent of the deposits is concentrated in the 6-9 per cent interest rate bracket, reflecting reducing interest burden as well as the easing monetary policy stances. Furthermore, a maturity-wise analysis shows that depositors' preference is largely for the maturity period between 24 to 48 months. The acceleration in deposit growth was also seen in this bucket.



Source: https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/0RTP2020_F3D078985540A4179B62B7734C7B445C9.PDF



Impact of Covid-19 on Non-Banking Financial Sector/ Housing finance companies

COVID-19 pandemic led to a slowdown in the economic activity across the globe. To curb the increasing infection, several countries-imposed lockdowns to a varying degree. Due to these lockdowns and the subsequent restriction in mobility, business across the world got impacted. One of the worst hit sectors the NBFC lending business.

According to the World Bank, the Global economy is estimated to have contracted by 3.5% in 2020. Advanced economies such as the US, Japan and European regions are estimated to have contracted by 3.5%, 4.7% and 6.6% respectively during the period. Compared to the advanced economies, the emerging market and developing economies (EMDEs) showcased better resistance and were expected to have contracted by 1.7% during 2020.

Due to interconnected nature of the economy and the cascading impact of reduced mobility, all the allied sectors of the economy got impacted. The fall in consumption pushed several businesses into distress leading to loss in

productivity and jobs. Governments and Central Bank across the world came to the rescue with several measures, targeted at reviving the falling consumption.

Housing finance companies (HFCs) faced challenges due to delays in completion of housing projects, cost overruns due to uncertainty around reverse-migration of labourers and delayed investments by buyers in the affordable housing sector as incomes shrank and jobs were lost.

To revive growth and mitigate the effects of COVID-19 have assumed centre stage in the Reserve Bank's policy agenda in this unprecedented situation. The Reserve Bank responded to the pandemic with aggressive policy rate cuts, massive liquidity infusion, both system-level and targeted to distressed sectors, institutions and instruments, moratorium as a temporary relief to borrowers, and a time bound window for restructuring of assets. Providentially, this period has coincided with the regulatory ambit of the Reserve Bank being reinforced by legislative amendments, giving it greater powers over co-operative banks, non-banking financial companies (NBFCs), and housing finance companies (HFCs) to improve their quality of management and governance. Several regulatory and liquidity measures along with the announcement of Aatmanirbhar Bharat Abhiyan by the Government, resulted in an improvement in the liquidity position of HFCs. The sounder HFCs were able to raise resources at lower rates from the market. The Liquidity Infusion Facility (LIFT) Scheme and participation in the equity share capital of HFCs by NHB will also help in quick revival of the sector.

Conclusion

Housing is an economic and social priority for any society. The Indian government has publicly announced its aspirations of creating shelter for all by 2022 – the 75th year of India's independence. Achieving this ambitious goal will require significant public and private investments. While the government will continue to create housing in both rural and urban areas for people, such construction will cater only to a small proportion of the underlying demand.

With the revised framework, the foundation has been provided for an orderly growth of the housing finance in pursuit of economic and social objectives, especially as the housing construction and housing markets have a multiplier effect on economic activity and job creation. Their sound regulation is, nevertheless, important as the sector is known to have caused booms and bust with ripple effects for the rest of the economy.

Further affordable housing is growing at a rapid pace and plays a crucial role in India's real estate industry. Rapid urbanisation, rising per capita income, decreasing average household size and easy availability of loans are some of the crucial deciders to this growth. Improved affordability ensuing higher demand is also a result of the easy availability of home loans especially for the middle- and low-income groups.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections “Forward Looking Statements”, “Risk Factors”, and “Financial Statements” on pages 12, 13, and 118, respectively. In this section any reference to “we”, “us” or “our” refers to India Shelter Finance Corporation 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 Draft Prospectus. Our financial year ends on March 31 of each year and references to a particular financial year are to the twelve months ended March 31 of that year.

Overview

With more than 11 years of presence in the housing finance space, our Company primarily caters to the middle and lower-middle sections of the society to provide affordable housing loans & secured non-housing loans. Our product portfolio comprises financing for new home purchase, expanding and upgrading existing homes, loans for home construction on pre-purchased land and loan against property (LAP).

We serve salaried and self-employed customers who account for 35.75% and 59.58% of our AUM as of March 31, 2021, respectively. We have served over 52,000 customers as of September 30, 2021.

Housing loans and LAP contribute 59.11% and 40.89% of our AUM, as of March 31, 2021, respectively. At outstanding portfolio level, housing loans and LAP contribute 63.8% and 36.2% as of March 31, 2021. The housing loan and LAP have an average loan-to-value of 52.9% and 40.2%, respectively, at the time of sanctioning of the loans. The average ticket size of our housing loans and LAP on sanction was ₹ 7.7 lakhs and ₹ 6.5 lakhs, respectively. The average disbursement ticket size during financial year 2021 of our housing loans and LAP on sanction was ₹ 11.26 lakhs and ₹ 10.52 lakhs.

Our AUM has increased from ₹ 80,125.7 lakhs, as of March 31, 2018 to ₹ 2,19,852 lakhs, as of March 31, 2021, at a CAGR of 40%. Our cost to income ratio has decreased from 55.8% for financial year 2018 to 36.6% for financial year 2021. As of March 31, 2021, our Gross NPA expressed as a percentage of our principal outstanding was 1.78% and our Net NPA expressed as a percentage of our principal outstanding was 1.23%.

We have a widespread network of 131 branches in 15 states as of September 30, 2021. With a strong presence in Tier 2 and Tier 3 cities spread across 15 states, our Company continues to lead the way towards financial inclusion with a strong foundation, retail focused strategy, and transparent business processes. Our geographical diversification has made sure that we have broader market to penetrate and build business in long term.

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.

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, and 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 ₹1,49,129.03 lakhs and our average cost of borrowings for Financial Year 2021 was ~8.9%.

Our Company has always stayed strong to its commitment to positively impact the environment, its customers, employees and the community at large. Its core values have guided its environment, social and governance (ESG) practices, which seek to drive growth and empower communities through our corporate decision-making processes.

Our Company strives for positive development outcomes in all its work practices, loan products, and services. It believes that an important component of achieving positive development outcomes is the environmental and social sustainability of these activities, which our Company pursues and expects to achieve through the application of Environmental and Social Sustainability Policy.

We have a strong, experienced and dedicated management team, with our senior management having an average of 34 years' experience in the financial services industry in India. Further, our Board of Directors is comprised of a balanced team of qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

For Financial years 2021, 2020 and 2019, our total income was ₹ 32,279 lakhs, ₹ 22,992 lakhs and ₹ 17,209 lakhs, respectively, our profit after tax was ₹ 8,738 lakhs, ₹ 4,691 lakhs and ₹ 2,793 lakhs, respectively and our net worth was ₹ 93,726 lakhs, ₹ 84,828 lakhs and ₹ 79,357 lakhs, respectively.

Our Competitive Strengths

We believe that our position as an 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 middle and lower middle segment. The average disbursement ticket size over last 2 years has been at ₹ 10.6 lakhs. 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.

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 enables us to identify and implement market entry and positioning the strategies. These steps coupled with our in-house technical and valuation expertise, 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 131 branches strategically located across 15 states as of September 30, 2021. Most of our branches are located in Tier 2 cities and Tier 3 cities offering a significant opportunity for our Company to capture the housing market in these locations.

We have adopted a strategy of continuous 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.

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.

Rather than investing in monolith IT infrastructure, we believe in using **Pure SaaS based technologies**, which gives us the leverage of **Highest Availability**, which means that our systems never go down unscheduled (Yes, almost **'No Downtime'**). It also helps in **faster integration** with third party services. We also believe in using

configurable platform based systems which give us the flexibility and agility to enhance the systems rapidly, so any **implementation becomes faster**. Adding a field in the LOS (Loan origination System) can be done instantly and data also can be inserted or uploaded instantly. Our reporting and MIS system is built-in with the LOS, hence any **MIS/Dashboard** can be made on the fly, directly by the users themselves (Self Service). Which also means that any newly created field (with data) can be pulled into any existing MIS immediately after adding.

Our setup 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 loan processing is largely done through a digitally enabled process.

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 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.

Further, we have added E-sign and E-nach capabilities for faster disbursal process for all products. Now we are adding 'e-Stamping' also, through which we'll be able to buy stamp papers online and attach those with the dynamic HLA (Home Loan Agreement). It'll not only save the paper cost, but also a lot of time of customer that goes in signing the document manually.

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.

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

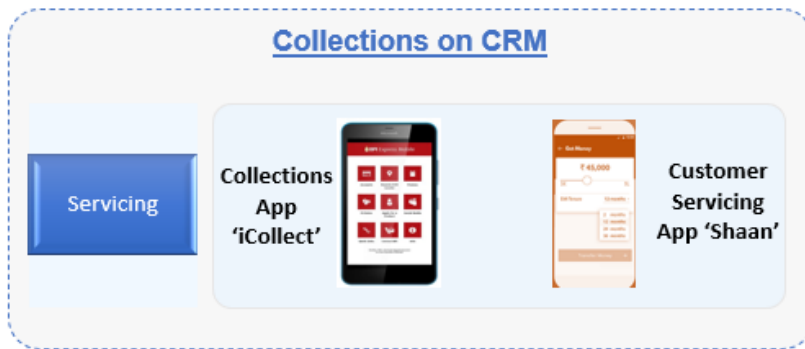
We have a well-defined risk management structure which includes periodic reviews and close monitoring to enable building a sustainable portfolio that takes care of the interests of all stakeholders. Our robust in house credit appraisal process and policies complimented with strong in-house collection 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. Using Machine Learning techniques, we enable our underwriters to compare certain KPIs in the CAM with the existing portfolio performance like delinquency, income, property valuation etc in the same area.

From time to time, the processes and appraisal criteria are re-engineered, and 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 correlating it with emerging risks. It not only helps us in effective control of our underwriting processes but also in making region centric policies basis our past trend analysis and the peculiarity of the respective micro market. Further our 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 of the appraisal process.

Our in-house collection team uses various data analysis and trends provided by our risk team to take proactive action for faster collection. 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. The app is also integrated with payments banks, which helps the agents to deposit the collected cash accurately with end-to-end reconciliation at receipt level. 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 discipline and for understanding the reason for delayed payment if any.



- ### Online Services
- KYC Check
 - Aadhaar Biometric*
 - Geo Location
 - Bureau Check
 - Fraud Check
 - Banking Analysis
 - Application Scoring
 - Rule Engine
 - ACH Registration
 - eSign & eStamp
 - Bank Transfer
 - Payment Gateway
 - Cloud Calling
 - Cash Management



Our Loan Management System (LMS) is an advanced loan servicing software that improves customer experience, enhances productivity and reduces operations cost. It provides configurable rules and policies which allows us to provide differentiated repayment options, configure late payment penalties, loan rescheduling, loan cancellation and restructuring of loans. It also empowers us to run simulation for transactions such as loan rescheduling, cancellation and foreclosure which helps us to foresee the impact and then take informed decision.

The API based infrastructure helps us connect with the lending ecosystem with ease, allowing us to leverage the power of FinTechs in delivering sophisticated digital capabilities. STPs and auto schedulers help in automating End of Day processing, report download, transaction upload etc. STP of other operational transactions such as installment change, tenure change, due day change, part pre-payment, rate type conversion and more, which helps in automating many vital functions in the loan servicing lifecycle.

Our Financial Accounting System is again a Pure SaaS based ERP. 24x7 Robust Online platform. It also enables seamless integration with other systems and services. We have developed few processes for our vendors/partners through the custom portal development capability of this system. It's an invoice generation and submission system through which our technical, legal etc partners can generate their respective invoices for the month, as per the transactions they've closed for the month, and submit those on the fly. Through this automation, we're able to process the invoices much faster than anyone else.

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

We provide home purchase, extension, formalization, loan against property and improvement loans to customers that are typically women, informally employed, and with informal housing having clean title on property. We believe that these activities directly promote environmental and social sustainability and combat gender inequality. We put into practice our commitments to environmental and social sustainability. Our Company's mission has been focused to provide affordable housing which is a big catalyst in poverty eradication and women empowerment. By extending loans to access and improve housing, it helps people and their environment by providing loans, technical assistance before and after the loans are made, and other support to enable them to improve the quality, durability, safety, security, hygiene, and comfort of their homes, for themselves and their families. The three key pillars of our organizational values are – hard work, honesty and respect (for customers, environment and all the business stakeholders). Central to our Company's development mission is its efforts to carry out lending activities with the intent to “do no harm” to people and the environment, to enhance the sustainability of people's lives and their livelihoods, and to achieve positive development outcomes. We recognize that climate change is a serious global challenge and that climate-related impacts may impede economic and social well-being and development efforts. We will support climate-friendly solutions and opportunities for its customers

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

Our Company is a well-established brand among the underserved retail consumer base in India. Our strong and experienced management team has developed a deep understanding of the market and related opportunities. They are well placed to gauge customer expectations and design suitable products for our target customer base.

Our Board of Directors is comprised of qualified and experienced personnel, who have extensive knowledge and understanding of the banking and finance 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 have shown a consistent performance over the years. Our AUM has increased from ₹ 80,125.7 lakhs, as of March 31, 2018 to ₹ 2,19,852 lakhs, as of March 31, 2021, at a CAGR of 40%. Our disbursements during Financial years 2021, 2020 and 2019 were ₹ 89,401 lakhs, ₹ 55,057 lakhs and ₹ 56,616 lakhs, respectively.

Our profit after tax improved from ₹ 2,793 lakhs in Financial year 2019 to ₹ 8,738 lakhs in Financial year 2021 and our Net-worth has increased from ₹ 79,357 lakhs in Financial year 2019 to ₹ 93,726 lakhs in Financial year 2021. Our CRAR, ROE and ROA are at 71.51%, 9.8% and 4.1% in as of March 31, 2021. As of March 31, 2021, our Gross and Net NPA are 1.78% and 1.23%, 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 and working capital loans. As of September 30, 2021, our total borrowings were ₹ 1,89,267.07 lakhs and our average cost of borrowings was ~8.3%.

As part of our fund raising activity, we assign loans through direct assignment to banks and financial institutions, which enables us to optimize our capital and asset liability management. As of September 30, 2021 assignment/securitisation accounts for 2.93% of the total borrowings.

Our Strategies

Leverage Technology to Grow Business and Drive Operational Efficiency

As a technology driven housing finance player, we are focussed on 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 more 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 fintech companies to make the loan on-boarding process more hassle free and seamless.

Our Company has partnered with digital platform like Home Credit, Credit mantri, Mywishmarketplace, Myloancare, Spoctree for receiving the leads of interested customers for home loan through their web portal.

As we are looking at growing internet and smartphone penetration across the country we have introduced customer mobile app which helps in smoother onboarding of customers. Customers can upload their documents and any pendency on the mobile application. Any customer who is acquired through digital channel is assigned to a dedicated relationship manager based out of head office who assists the customer till disbursement.

Focus on providing affordable housing loans to LIG and MIG customers in Tier 2 cities and Tier 3 cities

We continue our focus on customers in the LIG and MIG income segment in 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. 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

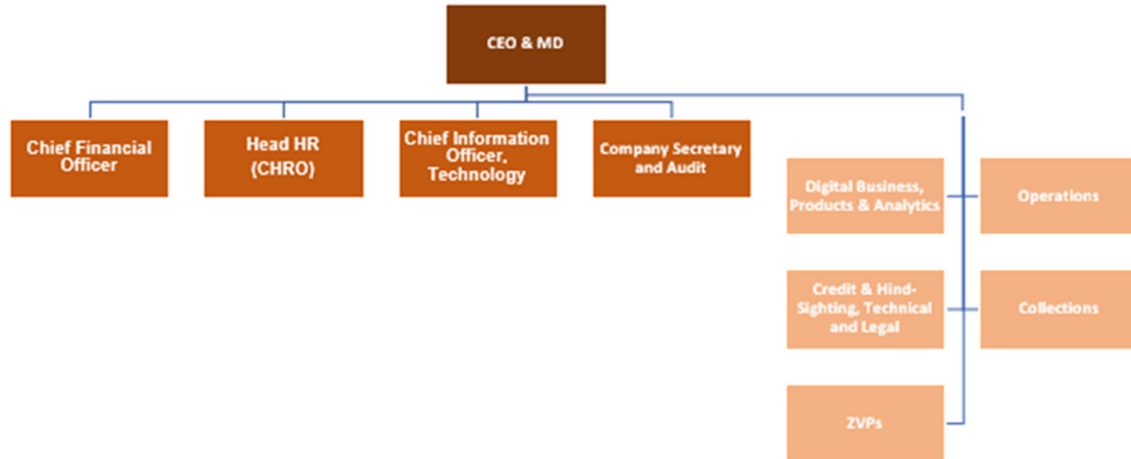
We intend to continue to expand our presence in an on-ground contiguous manner in order to achieve deeper penetration in the states where we have significant presence and also focus on growth in states where we see potential for growth. Before setting up new branches, we conduct research and consider 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 south India, where we are growing our presence. 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

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 one of the beneficiary of on-lending scheme of priority sector lending for housing which has brought down costs 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.

Organisation Structure



Our Products and Services

We operate in the following lines of business: (i) housing loan and (ii) loan against property.

We offer customers housing loans and loan against property, which accounted for 59.11% and 40.89% of our AUM, as of March 31, 2021, respectively.

(i) Housing Loan

Housing loan is extended to individuals for new home purchase, expanding and upgrading existing homes, loans for home construction on pre-purchased land. This product is offered primarily to cater the housing needs of salaried customers upto 60 years of age, self-employed and professional customers upto 65 years of age having documented as well as non-documented/ informal income. Our target customers are primarily the first time home buyers in the low and middle income groups. The maximum tenure for housing loan is 20 years depending on the borrower profile.

(ii) Loan Against Property (LAP)

A loan against property is a secured loan which will be secured by the property our customer wishes to mortgage. The property secured by mortgage is typically a self occupied residential property (typically). The customer can use the funding proceeds to finance their child’s education and wedding, to build a home for themselves, to meet medical expenses, to buy personal or commercial vehicles or most commonly to finance their business.

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

(₹ in lakhs)

Metric	As of Financial Year ended		
	2021	2020	2019
AUM			
Housing Loans	1,29,964.4	90,107.29	72,184.61
Loans against Property	89,888.2	61,871.60	45,618.84
Total	2,19,852.74	1,51,978.89	1,17,803.45
Disbursement			
Housing Loans	47,140.49	31,069.27	34,623.20
Loans against Property	42,261.08	23,988.08	21,993.24
Total	89,401.57	55,057.35	56,616.44
Average Ticket Size on sanction			
Housing Loans	7.72	6.66	5.93
Loans against Property	6.51	5.47	4.86
Total	7.18	6.14	5.49

Lending Policy of our Company

Our Company's lending policies are based on the following basic principles:

Economic Service: Loans should be economically serviceable by India Shelter

- Borrowers should reside within serviceable reach of an India Shelter branch.
- Borrowers should transact with India Shelter through bank accounts.

Risk Limit: The risk weighted impact of any individual loan on the entire portfolio should be within prudent limits

KYC: Borrowers should have documents to support KYC guidelines laid down by RBI and NHB. All KYC documents must be verified with publicly available databases and evidenced on database or on file

Credit Behavior: Borrowers should demonstrate good credit behavior:

- Borrowers should have acceptable credit history as defined in this policy. As part of the credit assessment, underwriting is done. The essence of our credit appraisal and customer selection is to estimate the cash flows of the customer household as accurately as possible by understanding and analyzing their earnings, expenses and savings.
- Borrowers should not have tried to mislead India Shelter during the application process

Cash Flows: Amount of loan given should be based on the assessed/documented cash flows of the household estimated prudently as laid down in this policy

Property: Loans should be secured by equitable mortgage by deposit of title documents of property.

- Borrowers should have legal right to mortgage the property for the loan.
- Realizable value of the property should be enough to secure the loan amount as per the India Shelter credit policy.

End Use: All loans should be used for the intended end use as indicated in the application. We provide loans for end use purpose like - Home Purchase, Home construction, Home extension, Home improvement, Business Loan against property, Consumption Loan Against Property etc.

Tenor: The maximum tenor for Home Loans is 240 months, while the maximum tenor for LAP is 180 months, subject to exceptions on approval basis

Ticket size: the loan ticket size for Home Loans and LAP ranges from 5 lacs to 50 lacs, subject to exceptions on approval basis

Social and Environmental Framework: Guidelines on SEDD framework issued by NHB and other agencies authorized by NHB will be fully complied with. The same are attached herewith as Social and Economic Management Policy in

Branch Network and geographical distribution

As of September 30, 2021, we operate in 15 states with 131 branches. However, we have a significant presence in the states of Rajasthan, Maharashtra, Madhya Pradesh through 74 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	RAJASTHAN	35	32.2%
2	MAHARASHTRA	20	18.9%
3	MADHYA PRADESH	19	15.7%
4	GUJARAT	12	8.3%
5	UTTAR PRADESH	10	6.1%
6	KARNATAKA	9	5.5%
7	TAMIL NADU	7	2.2%
8	HARYANA	7	3.1%
9	UTTARANCHAL	4	3.7%
10	CHHATTISGARH	3	1.3%
11	PUNJAB	1	0.7%
12	TELANGANA	1	0.6%
13	DELHI	1	1.2%
14	ANDHRA PRADESH	1	0.3%
15	ORISSA	1	0.0%

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 LIG and MIG segments in the 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 September 30, 2021, we are servicing more than 37,000 active loan accounts. Loans to self-employed customers accounted for 53.6% of our total live accounts, while loans to salaried customer accounted for 38.1%, as of September 30, 2021.

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	37,477	33,859	27,602	23,775
Self-employed loan accounts	20,088	17,213	12,621	10,126
Salaried loan accounts	14,287	13,437	11,608	9,510

** Historically more than ~30% of our customers are new to credit. 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:

(₹ in lakhs)

Metric	Six Months ended September 30, 2021	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Salaried	85,319.60	78,598.10	60,965.80	46,434.30
Self-employed	1,56,552.60	1,30,980.90	80,488.40	57,851.30
Gross Aum	2,51,674.30	2,19,852.70	1,51,978.90	1,17,803.40

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 ₹30 lakhs is permitted to have a maximum LTV ratio of up to 90.0%, loan amount between ₹30 lakhs and ₹75 lakhs is permitted to have maximum LTV ratio of up to 80.0% and loan amount above ₹75 lakhs 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 credit appraisal process and 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 48.31% and 48.30%, as of September 30, 2021, respectively. The offered tenure of our housing loans and loans against property is for a period up to 25 years and 15 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 offered to our customers is fixed in nature. The typical rate varies depending on the product offered as well as the risk profile of the customer as determined during the credit appraisal process. To cover the cost incurred in the loan process, we charge one-time processing/administrative fee from our customers.

For our Housing Loan product the underlying collateral for a loan is the house towards which the loan is provided, either for construction, purchase or improvement. For our LAP product the collateral is typically a self occupied residential property. 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

Majority of our business gets generated through in-house sales team ("DSTs"). 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. As of September 30, 2021, our direct selling team was comprised of 1,350 sales officers working as feet on street and front end of the organization with total employee strength at 2,162 employees.

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 abroad segment of customers.

Credit approval and disbursement process

Our credit policy is approved by the Board of Directors. Loan approval for loans is undertaken with the help of our in-house technology that integrates various business rule engines. Our credit evaluation includes online validation of KYC, credit history check, income/ financial analysis, banking analysis, contact point verification and profile verification. The eligibility of customers is calculated as per our prescribed norms. The largely digital process not only enables our 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 loans against property are processed 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 appraisal norms. Underwriting is done as specified in the credit policy manual. Our credit team consists of professionally qualified individuals from the industry. Various checks and verifications are performed on the documents provided by the borrower to check congruence with our appraisal norms. These checks and verifications are done through an independent Fraud Control Unit. Our credit officers also meet the borrowers at their business premises and carry out personal discussions with them to ascertain credit worthiness. As part of the appraisal process, along with the underwriting process, physical visits are conducted at the property site and at the customer's residence/working space. The visits are done by the credit officer assigned to the loan and further insights are collected through personal discussion (PD). The preliminary sanction happens at branch post which the cases are assigned to central hind-sighting team to further revalidate the documents and check the digital presence of the customer. The final sanction is done at central level.

In addition to the aforesaid, legal and technical verification of the property is conducted on 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. In-house technical team consists of well qualified civil engineers. All the properties are geo-tagged in our system and their assigned values are captured. We keep track of all our historical valuation against the property. Separate 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.

The loans are disbursed centrally through 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 mortgage prior to the disbursement of the loan. In addition, key terms and conditions are clearly communicated to the prospective customer prior to disbursement.

Loan collection and monitoring

Our loan collection and monitoring are fully digitized and we use digital communication channels for monitoring our loans. Our in-house collection team comprises of the Tele-Calling team, Field Collections and Legal Recovery. We send reminders to customers before the due date using omnichannel communication like text messages and automated calls. We have processes in place to identify certain risk segment of customers who need more focus than others so we can send multiple channel reminders. Recovery actions are initiated immediately as and when required.

In case of delay in payment of EMI, we use our platform to generate data and monitor the actions taken on these cases. 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 with visit schedule and other day to day field collection related activities. The collection manager also uses our multiple online payment collection channels to reduce reliance on physical cash collection. For difficult to recover cases, we have related legal process initiated in parallel to field visits to assist our agents collect customers' outstanding.

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.

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 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.

As of September 30, 2021, our total borrowings (as per IndAS) were ₹ 1,89,267.07 lakhs, which comprised 89.6%, (₹ 1,69,599.71 lakhs) of loans from banks (including National Housing Bank) and 6.9% (₹ 13,084.29 lakhs) of secured non-convertible debentures.

Our average cost of borrowings as on September 30, 2021 was ~8.3%.

Capital Adequacy Ratios

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

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

	March 31, 2021	March 31, 2020	March 31, 2019
Capital Adequacy Ratio	71.51%	81.12%	91.16%
Capital Adequacy Ratio – Tier I Capital	70.81%	80.61%	90.16%
Capital Adequacy Ratio – Tier II Capital	0.70%	0.51%	1.00%

Credit Rating

Our current credit ratings have been issued by ICRA and are set forth below:

Instrument	Current rated amount (₹ in cr)	Ratings
Fund Based-Term Loan	1,000	[ICRA] A (Stable); Reaffirmed
NCD Program	215	[ICRA] A (Stable); Reaffirmed / Assigned
NCD Program	35	[ICRA] AAA(CE) (Stable); Outstanding
Principal Protected Market Linked Debentures (PP-MLD)	50	PP-MLD [ICRA] AAA(CE) (Stable); Outstanding

Information Technology

Information Technology at our Company is a 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 is used to manage business operations. This subsequently improves our overall productivity and efficiency and provides a seamless and world class experience to our customers. The adoption of digital transformation and robust IT Framework has enabled our organization to improve efficiency, flexibility, increased transparency and provide a better customer experience. Our IT setup is also highly scalable to meet urgent business demands as applications are hosted on the cloud.

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. We have enabled technology applications across our various functions such as customer acquisition, customer fulfillment, retention, finance and operations and credit. For example, our collections application 'iCollect' enables our collection managers to monitor, track and follow-up with customers, while our digital sales application 'Shaan' enables customers to digitally apply, monitor and track their loans with us.

We also strongly believe in skill development for staff and this is demonstrated by the development of various e-learning modules on technology and other business areas.

Intellectual Property

We have not made an application for registration of our logo with Registrar of Trademarks. However, we use this



Home Loans as logo, which is not yet registered under Trade Marks Act, 1999, till date.

Marketing

Given the demographics and spread of our target audience, we connect with prospective customers through local outreach, engagement on social media platforms and through search and display campaigns on the digital channel. In offline media we undertake activities under both BTL activations and OOH which includes placing hoardings, connecting through Radio, auto branding, center activities, co-branding and promotional activities through wall paintings, RWA activations, newspaper ads, leaflet insertions 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.

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.

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 provides 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” on page 13 of the Draft Prospectus.

Employees

As of September 30, 2021 we had an employee count of 2,162. The employee lifecycle starts with the onboarding process. We onboard employees after multiple rounds of interviews and follow it up with a pre-onboarding call. Employees are on-boarded through an induction program called “PARICHAY” where the employee is introduced to the organisation, the business, the culture, the value system, the future plans and the expectations from him/her. The employee is introduced to his colleagues in his respective office post which the company provides the employee with a detailed domain training called “SUVIGYAN”. In this program, the employee learns about our sales processes, credit, technical and legal policies and our products. The training modules/ assessments are also made available to the employees online through mobile application. The average man days of training per employee in the company today is 4.5 days. India Shelter is a happy place to work. The company provides empowerment and a conducive ecosystem for employees to learn, earn and grow in the company. Being a growing company, the company has a bias towards internal talent. The company posts all job opportunities to its employees and today the company is able to fill 60% of middle management positions from the internal talent pool. The company is also successfully running a Management Trainee program where we hire post-graduates from various parts of the country and develop them to take on higher level of responsibilities over time.

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

Function	Number of Employees
Sales	1,350
Credit	202
Legal and Technical	129
Collections	144
Operations	226
Support	111
Total	2,162

Corporate Social Responsibility

We believe in an all-rounded development which includes our customers as well as the communities we operate in. Our initiatives encompass strategies to better the underserved fragments of the Indian society; some of our core strategic points include (i) Providing support for livelihood; (ii) Promoting women empowerment and (iii) Delivering education to lesser-advantaged children. We believe that education should be an easily accessible resource, not a privilege limited to only a few. So, we focus our CSR activities to promote fun and viable education methods among the lesser privileged sub-groups.

We feel compassionately about childcare, and our heart goes out for our brave little heroes, who at such an early age, have to confront the reality of Blood Cancer. We have partnered with Leukaemia Crusaders, an effort by the Bansi Vidya Memorial Trust (BVMT), to financially assure children with leukaemia or blood cancer. BVMT works towards facilitating early detection of Leukaemia in children by creating awareness in addition to providing the facilities needed for treatment.

Properties

Our registered office, which is located at 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurugram - 122 002, Haryana, India, is on leased premises. As of September 30, 2021, we conducted our operations through 131 branches and the premises of all our branches have been taken on a lease or leave and license basis.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Satyaprakash Housing Finance India Limited” under the Companies Act, 1956 on October 26, 1998 with the Registrar of Companies, Madhya Pradesh and received the Certificate for Commencement of Business on November 18, 1998. The name of the Company was subsequently changed from “Satyaprakash Housing Finance India Limited” to “India Shelter Finance Corporation Limited” and the fresh Certificate of Incorporation was issued by Registrar of Companies, Madhya Pradesh and Chattisgarh on July 08, 2010. Thereafter, the registered office of the Company was shifted from the state of Madhya Pradesh to Gurugram, Haryana and the Certificate of Registration of Company Law Board Order for Change of State was received on April 28, 2011. The CIN of our Company is U65922HR1998PLC042782. Our Company is registered with National Housing Bank (“NHB”) as housing finance company with registration no. No. 09.0087.10.

NHB Registration

Our Company is a housing finance company (‘HFC’) as defined under Section 29A(5) of National Housing Bank Act, 1987 and registered with effect from September 14, 2010 having Registration No. 09.0087.10. Further, the Government of India (GoI) has, vide its Gazette Notification No. S.O. 2405(E) dated June 17, 2021 notified the HFCs registered under Section 29A(5) of National Housing Bank Act, 1987 and having assets worth ₹100 crore & above, as ‘Financial Institution’ under Section 2(1)(m)(iv) of SARFAESI Act, 2002. In accordance with the same, our Company is being classified as a Financial Institution.

Our Company is engaged in the business of housing finance and primarily caters to the middle and lower-middle sections of the society with informal income documentation and provides affordable housing loans & non-housing loans. Our product portfolio comprises financing for new home purchase, expanding and upgrading existing homes, loans for home construction on pre-purchased land and Loan Against Property.

Change in Control of our Company

Aravali Investment Holdings, one of the existing shareholders of the Company, acquired 36,19,336 (thirty six lakhs, nineteen thousand, three hundred and thirty-six) Equity Shares of the Company on October 26, 2021 from 2 (two) other existing shareholders, namely Sequoia Capital India Growth Investments I and Sequoia Capital India Investments III (Sellers), constituting 8.42% of the total issued, subscribed and paid up equity share capital of the Company as on March 10, 2021, that was, Rs. 42,97,84,050 divided into 4,29,78,405 Equity Shares of Rs. 10/- each. This resulted in the Aravali Investment Holdings and its affiliate WestBridge Crossover Fund, LLC, to collectively hold, 58.32% of the total fully paid-up equity capital of the Company. (Aravali Investment Holdings and its affiliate WestBridge Crossover Fund, LLC, to be collectively referred to as “WestBridge”). The present holding of WestBridge, as on the date of this Draft Prospectus, is 250,65,560 equity shares aggregating to 57.47% of the present paid up capital of the Company.

Pursuant to the above acquisition, WestBridge also acquired the right to nominate a majority of the non-independent directors on the Board of Directors of the Company.

Further, our Company has also received the approval from the Reserve Bank of India on September 03, 2021 for the said change in the shareholding of the Company.

Registered Office and change in Registered Office of our Company

At present our Registered Office is situated at 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurugram - 122 002, Haryana, India.

The details of change in the registered office are as under:

Date of Change	Address Changed	
	From	To
14/04/2011 *	Parishram Madanmahalnagpur Road, Jabalpur, Madhya Pradesh – 482001	Indo Asia House, Level-3, 56 Institutional Area, Sector 44, Gurgaon, Haryana - 122002
14/07/2014	Indo Asia House, Level-3, 56 Institutional Area, Sector 44, Gurgaon, Haryana - 122002	6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurgaon, Haryana - 122002

* Records w.r.t. information related to change in registered office prior to this date is not available.

Key events, milestones and achievements

FY	Particulars
1998 - 99	Incorporation of our Company
2009 - 10	Re-launched the business of the Company in March 2010.
2010 - 11	Certificate of registration received from NHB to carry on the business of a housing finance institution without accepting public deposits
2020 - 21	Accorded the 'Inclusive Finance India Award' under the category 'Housing Finance Company Lending for Affordable Housing'

Main Objects of our Company

Following are the main objects of our Company, as provided in our Memorandum of Association:

1. To carry on the Business of Housing Finance by way of providing Finance facilities in the form of short/long term loans to individuals, firms, companies, cooperative societies and other institutions for construction, alteration repairing or for outright purchase/lease of all types of accommodation including residential houses, flats, duplex, row houses, dwelling units, apartments, housing complex, colonies and also for acquiring land and other real estate properties to be used for housing purposes, under various terms and conditions and rate of interest as company may deem fit with or without security; to acquire the land, to develop and to construct residential and other structures thereon and to dispose off the same on any system of instalments payments basis, hire purchase basis or by outright sale to any individual company, cooperative societies or other institutions. The company shall not do any Banking business as defined under the Banking Regulation Act, 1949.
2. To carry on the finance business in all its branches in respect of vehicles of all kinds, Machinery and equipment of all kinds, shapes and sizes, Electric, Electronic and other Appliances and any other article or articles that the company may deem fit.

Holding Company

As on the date of this Draft Prospectus, our Company does not have any holding company.

Subsidiary Company

As on the date of this Draft Prospectus, our Company does not have any subsidiary company.

Share Subscription and Amend and Restated Shareholders' Agreement

Our Company has entered into Share Subscription and Amend and Restated Shareholders' Agreement on October 05, 2017 with Nexus Ventures III Ltd., Nexus Opportunity Fund II Ltd., Sequoia Capital India Investments III, Sequoia Capital India Growth Investments I, WestBridge Crossover Fund LLC, Aravali Investments Holdings, Milestone Trusteeship Services Private Limited, as trustee of Madison India Opportunities Trust Fund, Madison India Opportunities IV, Mr. Anil Mehta and Mr. Srinath Mukherji for raising of capital. The said agreement was amended by the Company an Amendment Agreement executed on March 09, 2021. In terms of the said Share Subscription and Amend and Restated Shareholders' Agreement, the key terms of the same has been incorporated in the Articles of Association of the Company. For details, refer to the "Main Provisions of the Articles of Association" on page 235 of the Draft Prospectus.

Key terms of our material agreements

Other than the agreements in relation to this Issue, our Company has not entered into material agreements, more than two years before the date of this Draft Prospectus, which are not in the ordinary course of business.

KEY REGULATIONS AND POLICIES

The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961 and applicable local Goods and Services Tax laws, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations such as the Trade Marks Act 1999 and applicable shops and establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Our Company, being an HFC registered with the NHB, is primarily engaged in the business of providing loans and advances for housing activities.

Laws in relation to housing finance companies

The National Housing Bank Act 1987

The NHB Act was enacted to establish the NHB to operate as the principal agency for the promotion of HFC, both at the local and regional levels, and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of NHB includes, among others:

- promoting, establishing, supporting or aiding in the promotion, establishment and support of housing finance institutions;
- making loans and advances or rendering any other form of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government;
- guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs;
- formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing;
- providing guidelines to HFCs to ensure their growth on sound lines; and
- providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the terms of the NHB Act, the NHB may, on being directed to do so by the RBI, cause an inspection of the books of accounts and other documents of any institution to which the NHB has provided a loan, advance or granted any other financial assistance. Further, the NHB is required to provide a copy of its report to such an institution. Also, the NHB is empowered to direct and collect the credit information from any HFC at any time in order to efficiently discharge its function.

The NHB also, at any time on its own or on being directed so by the RBI, may inspect any HFC in order to verify the correctness or completeness of any statement, information or particulars provided to the NHB, or for the purpose of obtaining any information or particulars which the HFC has failed to provide after being called upon to do so. If any HFC fails to comply with any direction given by the NHB, the NHB may take appropriate actions against the HFC.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended, pursuant to the NHB Act Amendments, to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power (a) to determine the percentage of assets to be maintained in terms of its investments and purpose for appropriation of reserve fund; and (b) to regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated August 25, 2016 (last amended on 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. These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio and securitisation.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020. 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 ; (b) increased the minimum net owned fund requirement for HFCs from ₹ 1000 lakhs to ₹ 2000 lakhs; 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-SI Master Directions were made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, managing risks and code of conduct in outsourcing, liquidity, risk management framework and liquidity coverage ratio.

On February 17, 2021, RBI issued the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 in supersession of, *inter alia*, the NHB Directions and the Revised HFC Framework. The RBI Master Directions apply to every HFC registered under the NHB Act.

However, issues in relation to the regulation of HFCs which were not covered in the Revised HFC Framework continue to be governed by the extant regulations issue by the NHB until detailed master directions are issued by the RBI.

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

In terms of the Revised HFC Framework, the RBI has established a revised criterion for defining 'housing finance companies' and has also introduced a definition of 'housing finance'. While under the NHB Directions, the term 'housing finance company' was defined as a company which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly, the Revised HFC Framework defines housing finance companies as companies engaged in the business of providing finance for housing whose (a) financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets) and; (b) at least 50% of total assets (netted off by intangible assets) as finance provided for housing to individuals. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Further, the Revised HFC Framework also provides a phased manner

of compliance with the above requirements for HFCs which were not compliant as on the date of the notification of the Revised HFC Framework and requires such non-compliant HFCs to submit a plan approved by its board of directors for fulfilling the timeline, within three months of the notification of the Revised HFC Framework. Further, in terms of the Revised HFC Framework, HFCs which are not able to meet the timeline will be treated as NBFC – Investment and Credit Companies (“NBFC-ICC”) and would be required to approach the RBI for conversion of their certificate of registration from HFC to NBFC-ICC.

In terms of the Revised HFC Framework, “housing finance” has been defined as financing for purchase, construction, reconstruction, renovation or repairs of residential dwelling units including, inter alia, loans for purchase of dwelling units, loans to builders for construction of residential dwelling units and loans for purchase of dwelling units against mortgaging existing dwelling units.

Net owned fund

In terms of the Revised HFC Framework, HFCs are required to maintain a minimum net owned fund of ₹ 2000 lakhs to commence with the business of housing finance or continue as an HFC. The existing HFCs not fulfilling the minimum net owned fund criterion are required to achieve the net owned fund of ₹ 1500 lakhs by March 31, 2022 and ₹ 2000 lakhs by March 31, 2023.

Accounting Standards

HFCs that are required to implement Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 are to prepare their financial statements in accordance with Ind AS notified by the Government of India and comply with the regulatory guidance specified in terms of the RBI Master Directions. Other HFCs comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with any of the directions provided under the RBI Master Directions.

Capital adequacy

As per the RBI Master Directions, we are required to maintain a minimum capital adequacy ratio, consisting of tier I capital and tier II capital. Currently HFCs are required to comply with a CRAR, consisting of tier I and tier II capital of not less than 13%, on or before March 31, 2020, 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter, of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, tier I capital of HFCs cannot be less than 10%. Further, the total tier II capital at any point of time, should not exceed 100% of tier I capital.

Source of funds

HFCs can generally raise funds by way of borrowings or through equity. The sourcing of funds by HFCs is primarily regulated by the RBI, NHB, and SEBI. The limits on borrowings by HFCs are governed by the RBI Master Directions. The RBI Master Directions currently permit HFCs to borrow up to 14 times their net owned funds until March 31, 2021 and after which this limit shall be further reduced to 13 times of their net owned funds until March 31, 2022 and subsequently to 12 times of their net owned funds thereafter. Further, the NHB NCD Directions require HFCs to have in place a board approved policy for resource planning.

In accordance with the RBI Master Directions, the Company has put in place a board approved policy for resource planning (“**Resource Planning Policy**”). The Resource Planning Policy seeks to maintain a balance in the source of funds by borrowing from the debt capital market as well as traditional borrowings from banks and others, reduce the weighted average cost of borrowing by borrowing across multiple maturities, support disbursement growth by providing adequate liquidity, and proper balancing of asset and liability mismatch within the permitted tolerance level.

Income Recognition and Provisioning Requirements

The RBI Master Directions require that income recognition be based on recognised accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognised only when it is actually realised. Any such income recognised before the asset became NPA and remaining unrealised shall be reversed. Further, the RBI Master Directions require the board of directors of every HFC to frame investment policy for the company and shall implement the same.

Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against standard assets, sub-standard assets, doubtful assets and loss assets.

Regulatory Restrictions

A HFC cannot lend against its own shares. Further, no HFC can grant housing loans to individuals up to (a) ₹30 lakhs with LTV ratio exceeding 90%; (b) above ₹30 lakhs and up to ₹75 lakhs exceeding 80%; and (c) above ₹75 lakhs with LTV ratio exceeding 75%. In inclusion, the RBI Master Directions provide for the definition of LTV ratio. Additionally, the NHB advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code under RBI Master Directions (“**Fair Practices Code**”) requires HFCs to convey certain terms and conditions at the time of sanction of loans such as the annualised interest rate, equated monthly instalments (“**EMI**”) structure and prepayment charges.

Further, in terms of the PSL Master Directions, issued by the RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹2 million per borrowers, for purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Acceptance / renewal of public deposits

No housing finance company shall accept or renew public deposit unless the HFC has obtained minimum investment grade rating for fixed deposits from any one of the approved credit rating agencies, at least once a year and a copy of the rating is sent to the NHB and it is complying with all the prudential norms.

Acquisition / Transfer of Control

In terms of the RBI Master Directions, prior written permission of Reserve Bank of India shall be required for any takeover or acquisition of control of an HFC, which may or may not result in change of management, any change in the shareholding of an HFC accepting / holding public deposits, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by / to a foreign investor or any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition / transfer of shareholding of 26% or more of the paid-up equity capital of the HFC. Provided that, prior approval would not be required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares / reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

Corporate Governance

In terms of the RBI Master Directions, the corporate governance norms shall be applicable to all public deposit accepting / holding HFCs and every non-public deposit accepting HFC with assets size of ₹50 crores and above, as per the last audited balance sheet (“**Applicable HFCs**”). The Applicable HFCs are required to constitute audit committee, nomination and remuneration committee, asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Further, the RBI Master Directions provide for appointment of a chief risk officer (“**CRO**”) for HFCs with an asset size of ₹5,000 crores with clearly specified role and responsibilities. The CRO, who shall be a senior official in the hierarchy of an HFC and shall possess adequate professional qualification / experience in the area of risk management, is required to function independently so as to ensure highest standards of risk management.

Further, all HFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the ‘fit and proper’ criteria of the directors at the time of appointment, and on a continuing basis. The policy on the ‘fit and proper’ criteria shall be on the lines of the guidelines contained in the RBI Master Directions.

Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 (the “PSL Master Directions”)

In terms of the Master Circular – Housing Finance dated July 1, 2015 issued by the RBI, banks are permitted to grant term loans to HFCs considering (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including the other applicable regulatory guidelines.

Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 (the “PSL Master Directions”)

The priority sector lending (“PSL”) guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners’ banks, licensed to operate in India.

The PSL Master Directions govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 20 lakhs per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank’s total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co-terminus with the maturity of the bank loan.

RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5, 2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies (“NBFC”) can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

NHB Refinance

NHB offers refinance assistance to primary lending institutions (“PLIs”) in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. HFCs registered with the NHB, being a PLI, are eligible to obtain refinance under NHB’s various refinance scheme from time to time. The NHB provides such refinance assistance in terms of its various refinance schemes such as the regular refinance scheme, special urban housing refinance scheme for low income households and the affordable housing fund, each of which set out certain restrictions applicable to loans provided by the HFCs in terms of their loan size, tenure, location of property and the ultimate borrower in some cases. The terms of the re-finance assistance, such as the tenure and interest rate applicable is subject to eligibility of the loans under the respective schemes. For instance, while the regular refinance scheme provides for refinance assistance in respect of housing loans extended by HFCs for, amongst others, construction and purchase of dwelling units with no restrictions on loan size, location and the ultimate borrowers of such loans, the affordable housing fund includes eligibility conditions based on the annual household income of the borrowers depending on the location of the property being in urban or rural areas, as prescribed thereunder.

Other borrowings:

HFCs may also raise funds by way of a public or private issue of non-convertible debentures (“NCDs”). Such issue of NCDs is governed by the RBI Master Directions, which amongst others, includes eligibility requirements and conditions in relation to the credit rating and maturity of such NCDs, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.

The RBI issued the Draft Commercial Paper and NCD (RBI) Directions, 2020. All companies, including HFCs are eligible issuers under these directions. The commercial papers and NCDs are required to be issued in a dematerialised form and in minimum denominations of ₹ 500,000. The tenor of such NCD cannot be less than ninety days or more than one year and the tenor of the commercial papers will not be less than seven days and more than a year. The directions lay down other requirements in relation to the credit rating and maturity of such NCDs.

External commercial borrowings (“ECB”) are commercial loans raised by eligible resident entities from recognised non-resident entities in terms of the ECB Master Directions. While availing of such ECBs, HFCs are required to conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling set out in the ECB Master Directions.

Raising Debt

The RBI Master Directions, which currently apply to the Company, require that any change in shareholding of an NBFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of such NBFC, requires a prior written approval from the RBI.

On-boarding of customers and marketing

Advertising, Marketing and Sales:

The Fair Practices Code under RBI Master Directions seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces to achieve higher operating standards and promote fair and cordial relationship between customer and HFCs, and foster confidence in the housing finance system. HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers’ information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process, including the amount, tenure and periodicity of repayment.

The Fair Practices Code also prescribes certain requirements applicable at the time of applications for loans, loan appraisal and disbursement of loans. For instance, HFCs are required to include in the loan application forms all necessary information so that the applicant may make a meaningful comparison with the terms offered by other HFCs, to devise a system of giving acknowledgement for receipt of all loan applications and to communicate in writing the reasons for rejection of the application.

KYC and AML:

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions. Further, the guidelines on ‘Know Your Customer’ & ‘Anti-Money Laundering Measures’ for HFCs issued by the NHB by way of its circular dated March 11, 2019 (“NHB KYC Circular”), were applicable on HFCs until May 19, 2020.

On May 19, 2020, RBI issued a circular wherein applicability of Master Direction – Know Your Customer (KYC) Direction, 2016 (“KYC Direction”), as amended was extended to HFCs and NHB KYC Circular stood repealed. The KYC Direction requires an HFC to formulate a Board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client’s business and their location; (iii) undertake customer identification procedures when, inter alia, commencement of an account based relationship, when there is a doubt

about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when or when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', authorised signatory or power of attorney holder related to the legal entity.

Credit Approval and Disbursement

The granting of housing loans and disbursements of such loans by HFCs is primarily governed by the directions and circulars issued by the RBI, such as the RBI Master Directions containing the Fair Practices Code and the Revised HFC Framework. In terms of the RBI Master Directions, amongst others, (i) no HFC may grant housing loans to individuals of up to ₹ 30 lakhs with an LTV ratio exceeding 90% of between ₹ 30 lakhs to ₹ 75 lakhs with LTV ratio exceeding 80%, and above ₹ 75 lakhs with LTV ratio exceeding 75%; (ii) no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. The RBI Master Directions also require HFCs to maintain LTV ratio of 50% for loans against security of listed shares and 75% for loans against collateral of gold jewellery. Additionally, the NHB advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code requires HFCs to convey certain terms and conditions at the time of sanction of loans such as the annualised interest rate, equated monthly instalments ("EMI") structure and prepayment charges. Further, our internal credit policy lays down the requirements for various customer profiles including salaried, self-employed professionals/non-professionals and non-individual entities. The internal credit policy has also laid down clear rules for determining as to who can be an eligible applicant.

Further, in terms of the PSL Master Directions, issued by the RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹ 20 lakhs per borrowers, for purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Auditor's Report (National Housing Bank) Directions, 2016

The NHB pursuant to its circular dated July 2, 2018 issued the Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016 which mandates that in addition to the report made by the auditor under the Companies Act, 2013 the auditor performing an audit in connection with HFCs shall also make a separate report to the board of directors of the company containing details of non-compliances and unfavorable statements, indicating such facts together with reasons thereof. Furthermore, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the housing finance company to the Department of Regulation & Supervision, NHB, New Delhi.

Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017

Pursuant to the revised regulatory Framework dated October 22, 2020, RBI has extended the application of the Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017 to HFCs. Systemically important NBFCs and HFCs are required to enhance security of their information technology and information security framework as per the security enhancement requirements mentioned therein. Information technology strategy committee and an information technology steering committee are required to be constituted along with formulation of an information technology policy and an information security policy. A cyber-security policy should also be implemented to combat cyber threats along with a cyber crisis management plan for cyber intrusions and attacks. All types of unusual security incidents as specified therein are to be reported to RBI in the prescribed format. An annual risk assessment must be undertaken for the assessment of threats and vulnerabilities of the information technology assets. An internal information systems audit has also been prescribed for providing an insight on the effectiveness of controls to ensure confidentiality, integrity and availability of infrastructure. Further, a business continuity planning policy approved by the Board of Directors is prescribed to tackle disaster recovery in unforeseen natural or man-made disasters.

Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

Pursuant to the RBI Master Directions, RBI has extended application of the Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 to HFCs. As prescribed, quarterly case-wise reports on frauds outstanding are to be submitted with the regional office of the RBI within 15 days of each quarter.

In order to have uniformity in reporting, frauds have been classified as under mainly based on the provisions of the Indian Penal Code:

1. Misappropriation and criminal breach of trust;
2. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;
3. Unauthorised credit facilities extended for reward or for illegal gratification;
4. Negligence and cash shortages;
5. Cheating and forgery;
6. Irregularities in foreign exchange transactions; and
7. Any other type of fraud not coming under the specific heads as above.

Systemically important NBFCs and now HFCs are required to put in place a system for reporting frauds and to fix accountability with staff with respect to delays in reporting fraud cases to the RBI. All cases of fraud of ₹100,000 and above are to be reported to RBI, and if the fraud is ₹100 lakhs or above, the report is to be sent in the prescribed format within three weeks from the date of detection of the fraud. Further, fraud by unscrupulous borrowers are also required to be reported. As prescribed cases of attempted fraud involving ₹25 lakhs or more are required to be placed before the audit committee with information about the fraud. Systemically important NBFCs and now HFCs are required to submit quarterly reports on frauds outstanding to the Department of Non-Banking Supervision of the RBI and are also required to furnish case-wise progress report on frauds involving ₹100,000 and above. Further, annual as well as quarterly review of frauds is required to be placed before the Board of Directors and frauds of ₹100,000 and above must be promptly reported to the Board of Directors. Further, all frauds involving an amount if ₹100 lakhs or above are to be monitored and reviewed by the Audit Committee.

Master Directions – Reserve Bank of India (Priority Sector Lending) – (Targets and Classifications) Directions, 2020 (the “PSL Master Directions”)

The priority sector lending (“PSL”) guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners’ banks, licensed to operate in India.

The PSL Master Directions, as updated on June 11, 2021, govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹20 lakhs per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank’s total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co-terminus with the maturity of the bank loan.

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Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

Guidelines on Risk-based Internal Audit (“RBIA”) System for HFCs (“RBIA Guidelines”)

The RBIA for all deposit-taking HFCs and non-deposit taking HFCs with an asset size of ₹5000 crores and above (“Applicable HFCs”), was mandated by the RBI through its notification dated June 11, 2021 bearing reference number RBI/2021-22/53 DoS.CO. PPG.SEC/03/11.01.005/2021-22. Under the RBIA Guidelines, Applicable HFCs are required to implement the RBIA framework by June 30, 2022.

The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the Applicable HFCs. Under the RBIA Guidelines, the board of directors of the Applicable HFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It is also mandated that the policy be reviewed periodically, and that the internal audit function not to be outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of Applicable HFCs should be conducted at least on an annual basis.

Asset classification, Provisioning and Income Recognition

COVID19 Regulatory Package – Asset Classification and Provisioning on April 17, 2020

The RBI notified the COVID19 Regulatory Package – Asset Classification and Provisioning to alleviate the burden on financial institutions that were impacted owing to the COVID – 19 pandemic.

In terms of the circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the RBI allowed financial institutions to provide for a three months moratorium on all term loan payments falling due between March 1, 2020 and March 31, 2020. Similarly, in terms of working capital facilities such as cash credit and overdraft, the RBI permitted the recovery of interest to be deferred.

In respect of accounts which are at default but standard as on February 29, 2020, and an asset classification benefit is extended, lending institutions will be required to make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters i.e. not less than 5 per cent for each of the quarter ended on March 31, 2020 and the quarter ended on June 30, 2020. NBFCs which are required to comply with Ind AS shall, as hitherto, continue to be guided by the guidelines duly approved by their board of directors and as per advisories issued by ICAI for recognition of their impairments.

In terms of circulars issued by the NHB, HFCs are required to comply with the provisions of Ind AS, as notified by the MCA from time to time, including the date of implementation notified by the MCA by its notification dated March 30, 2016. Accordingly, the financial reporting of financial assets, financial liabilities, provisioning and income recognition is primarily governed by Ind AS 109.

In terms of the Revised HFC Framework, HFCs shall also be required to maintain a prudential floor in respect of impairment allowances and follow instructions on regulatory capital.

However, for regulatory and supervisory purposes, including various kinds of reporting to the NHB, HFCs are required to follow the relevant provisions of NHB Act and RBI Master Directions including framework on prudential norms and other related circulars issued in this regard by the RBI from time to time. Every HFC is required to, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets, sub-standard assets, doubtful assets, and loss assets. Further, every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements after taking into account the time lag between an account becoming NPA, its recognition as such, the realization of the security, and the erosion over time in the value of security charged.

The RBI Master Directions require that income recognition be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed. The interest income earned on NPA accounts shall be recognised in accordance with principles laid out in the Ind AS.

Risk Management Framework

Asset Liability Management:

In terms of the RBI Master Directions, the RBI has made paragraph 15A of the NBFC-SI Master Directions applicable to the HFCs in respect of liquidity risk management. All non-deposit taking HFCs with asset size of ₹100 crore and above and all deposit taking HFCs (irrespective of asset size) must pursue liquidity risk management, which inter alia should cover adherence to gap limits, making use of liquidity risk monitoring tools and adoption of stock approach to liquidity risk. It is the responsibility of the board of each HFC to ensure that the guidelines are adhered to.

The RBI has, by way of its RBI Master Directions, prescribed guidelines for asset liability management system in HFCs (“ALM Guidelines”). In terms of the ALM Guidelines, HFCs are exposed to several major risks in the course of their business - credit risk, interest rate risk, equity/commodity price risk, liquidity risk and operational risk. In terms of the ALM guidelines, the asset liability management (“ALM”) process involves, amongst others, (i) ALM information systems, which includes management information systems and availability of information and accuracy, adequacy and expediency thereof; (ii) ALM organisation, which includes involvement of top level management; and (iii) identification, measurement and management of risks and having in place risk policies and tolerance levels. Further, the scope of the ALM function of the HFC includes, amongst others, liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection, forecasting and analysing ‘what if scenario’ and preparation of contingency plans.

Appointment of a Chief Risk Officer:

The RBI has mandated the appointment of a Chief Risk Officer (“CRO”) vide RBI Master Directions. The CRO shall be a senior official with adequate professional qualification and expertise in the area of risk management.

The office of the CRO shall be an independent office with direct reporting lines to the managing director or the chief executive officer. The CRO will be tasked with the identification, mitigation and measuring of risk with respect to the products being offered by the HFC.

Corporate Governance:

The RBI Master Directions issued, apply to every non-public deposit accepting HFC with assets size of ₹ 5000 lakhs and above, as per the last audited balance sheet, and all public deposit accepting / holding HFCs (“Applicable HFC”). Applicable HFCs are required to constitute, amongst others, an audit committee, an asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm. The Applicable HFCs are also required to frame internal guidelines on corporate governance standards which are also to be put up on their website for information of various stakeholders.

Laws related to money laundering

The Prevention of Money Laundering Act 2002 (“PMLA”)

The PMLA was enacted to prevent money laundering and to provide for the confiscation of property derived from and involved in money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, are required to maintain records of all transactions, including the value and nature of such transactions, provide information of such transactions to the director defined under the PMLA, and verify and maintain the records of the identity of all of its clients, in such a manner as may be prescribed. The PMLA also provides for a power of summons, searches and seizures to the authorities under the PMLA. In terms of the PMLA, whosoever directly or indirectly attempts to indulge, knowingly assists, knowingly is a party to or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering.

Recovery of dues

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the Fair Practices Code requires HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession. In the event, the HFC hires recovery agents for this purpose, they are required to comply with guidelines issued by the RBI in this regard by its circular dated July 14, 2008, which includes requirements such as due diligence while hiring such recovery agents, training of recovery agents and regulating the methods employed by such recovery agents.

SARFAESI Act:

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs non-performing assets in India. Any asset reconstruction company may acquire non-performing assets of a bank or financial institution, including HFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. For HFCs, SARFAESI recovery is allowed for all loans of greater than ₹ 1.00 lakh ticket size.

Further, the SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor, such as an HFC, can recover dues from its borrowers by taking any of the measures as provided therein, including (i) taking possession of the secured assets or (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a non-performing asset in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. However, the requirement for a secured debt to be classified as a non-performing asset shall not apply to a borrower who has raised funds through debt securities. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

Further, in terms of the RBI Master Directions, HFCs are permitted to carry out securitization of standard assets and transfer of assets through direct assignment of cash flows and the underlying securities, provided that such HFCs conform to the minimum holding period and minimum retention requirement standards.

Recovery of Debts and Bankruptcy Act, 1993 (“DRT Act”)

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals (“DRTs”), powers of DRTs and modes of recovery of debts determined by DRTs, including inter alia attachment and sale of movable and immovable properties of defendants, taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same, arrest of defendants, defendants’ detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, such as an HFC, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

RBI Master Circular on Wilful Defaulters dated July 1, 2015

In the Master Circular on ‘Willful Defaulters’ the term ‘willful default’ has been redefined, which would be deemed to have occurred if any of the following events occur: (a) Default in repayment obligations despite having capacity to honour the said obligations. (b) Default in repayment obligations and diversion of funds for other purposes, including non-utilization of funds for the specific purposes for which finance was availed. (c) Default in repayment obligations and siphoning off the funds and non-utilization of funds for the specific purposes for which finance was availed moreover when the funds are not available with the unit in the form of other assets. (d) Default in repayment obligations to a lender and disposal or removal of assets (movable, fixed or immovable)

which have been given as security without the knowledge of the lender. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Willful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: (a) No additional facilities will be granted by banks and financial institutions. (b) Promoters of companies that have been identified for siphoning of funds, misrepresentation of accounts and fraudulent transactions will be debarred from institutional finance for floating new ventures for a period of five years (c) Legal process (criminal and civil) will be initiated expeditiously. (d) Willful defaulters will not be allowed to take up board positions in any company and those who are on board will be removed expeditiously.

Insolvency and Bankruptcy Code, 2016, as amended (the “IBC”)

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor’s viability can be assessed and prescribes a linear liquidation mechanism. While the IBC does not apply to financial service providers such as the Issuer, Section 227 of the IBC authorises the Central Government to notify financial service providers or categories of financial service providers for the purpose of their insolvency and liquidation proceedings being conducted under the IBC. Pursuant to the notification no. S.O. 4139(E) dated November 18, 2019 issued by the Ministry of Corporate Affairs read with Section 227 of the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, non-banking financial companies (including housing financial companies) with asset size of at least INR 500,00,00,000 (Indian Rupees Five Hundred Crore) have been notified for the purpose of their insolvency and liquidation proceedings being conducted under the IBC.

Companies Act, 2013

The Companies Act, 2013 (“Companies Act”) has been notified by the Government of India on August 30, 2013 (the “Notification”). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director’s liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 50,000 lakhs or more, or turnover of ₹ 1,00,000 lakhs or more or a net profit of ₹500 lakhs or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

SEBI Regulations

The Securities and Exchange Board of India (“SEBI”) governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1992 as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to

time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“**SEBI Debt Regulations**”) and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (“**NCRPS Regulations**”) into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidances and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non-convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

SEBI Operational Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021.

Following the SEBI’s notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued the SEBI Operational Circular.

Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Operational Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Operational Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Operational Circular, stand superseded by the SEBI Operational Circular.

RBI’s COVID-19 related measures for HFCs

On March 27, 2020, the monetary policy committee of the RBI, in its statement, noted the adverse impact of COVID-19 and released regulatory packages on March 27, 2020 and April 17, 2020 (“COVID Package”). The RBI permitted all the lending institutions (including HFCs) to grant a moratorium on repayment of instalments of term loans and working capital loans falling due between March 1, 2020 to May 31, 2020 for accounts which were classified as ‘standard’ as on February 29, 2020. However, the interest on such instalments continued to accrue on the outstanding portion of the term loans and such accounts did not qualify for asset classification downgrade due to the moratorium. Subject to certain conditions, the HFCs were required to maintain general provisions of at least 10% of the total outstanding accounts in a phased manner until June 30, 2020 for accounts to which moratorium benefit was extended. NBFCs (including HFCs) which were required to comply with Ind AS, had to make impairment provisions as per their expected credit loss models.

On May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. The RBI also permitted the lending institutions to convert the interest deferred into a funded interest term loan repayable on or before March 31, 2021. Further, lending institutions were restricted from downgrading the accounts on which moratorium benefit was extended, on account of default in payment.

The RBI also released a Special Liquidity Scheme particularly for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium.

The RBI Resolution Framework for Covid-19 related Stress dated August 6, 2020 provides for a window to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 180 days from the date of invocation.

The RBI Resolution Framework for COVID -19 related Stress – Financial Parameters dated September 7, 2020 sets out the financial parameters that all lending institutions are required to consider while finalising the resolution plans in respect of eligible non-personal loan borrowers.

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 7, 2020 such as the mandatory requirement of an Inter- Creditor Agreement (“ICA”), and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the signing of an ICA.

RBI circular on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package dated April 7, 2021 (“RBI Circular on Asset Classification”)

RBI Circular on Asset Classification gives effect to the judgement of the Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v. Union of India and others dated March 23, 2021 and requires all lending institutions, including HFCs, to immediately put in place a board approved policy to refund/ adjust the ‘interest on interest’ charged to the borrowers during the moratorium period, i.e., March 1, 2020 to August 31, 2020 in conformity with the judgement. To ensure that the judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association in consultation with other industry participants/ bodies, which shall be adopted by all lending institutions. The reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, in terms of the RBI circulars on COVID-19 Regulatory Package dated March 27, 2020 and May 23, 2020. Lending institutions shall disclose the aggregate amount to be refunded/ adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021.

Further, on August 6, 2020 RBI notified the “Resolution framework for COVID-19 Related Stress” (the “**Resolution Framework 1.0**”). Pursuant to the Resolution Framework 1.0, starting September 7, 2020, all lending institutions are required to mandatorily consider certain specified key ratios while finalising the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework 1.0). Additionally, on May 5, 2021 the RBI notified the “Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses” (the “**Resolution Framework 2.0**”), providing a window for lenders to implement resolution plans with the objective of alleviating the potential stress to individual borrowers and small businesses.

Miscellaneous

CLSS and Pradhan Mantri Awas Yojana:

The CLSS aims at expanding institutional credit flow to the housing needs of the urban poor, by providing credit-linked subsidy on home loans taken by eligible urban poor for acquisition or construction of houses. The scheme is governed by the PMAY – Housing for All (Urban) issued by the MoHUPA, GoI in March 2016. Individuals belonging to the economically weaker sections (“EWS”) and the low income group (“LIG”) seeking housing loans

from PLIs, including banks and HFCs, are eligible to avail benefits under the scheme. EWS and LIG households are defined as households having an annual income up to ₹3.00 lakhs, and annual income between ₹3.00 lakhs and ₹6.00 lakhs, respectively. NHB been nominated by the MoHUPA as a Central Nodal Agency under the CLSS, to channelize the subsidy to PLIs and to monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. The CLSS has been implemented through four verticals, namely, (i) “In situ” slum redevelopment; (ii) affordable housing through credit linked subsidy; (iii) affordable housing in partnership; and (iv) subsidy for beneficiary-led individual house construction or enhancement.

Inspection:

In terms of the NHB Act, the NHB has the power to direct housing finance institutions which are companies, to furnish to the NHB and the RBI such statements, information or particulars as may be specified by the NHB. The NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any deposit accepting HFC for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so.

Reporting:

In addition to the financial reporting requirements, such as submissions of copies of balance sheet and accounts together with the directors’ report to the NHB, as prescribed under the RBI Master Directions, pursuant to the Revised HFC Framework, reporting requirements in relation to monitoring of frauds shall be governed in terms of Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. Additionally, HFCs must also comply with any reporting requirements prescribed by the NHB from time to time.

On April 13, 2021, the NHB issued the Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) which consolidates all the returns to be submitted by HFCs to the NHB and important instructions issued by the NHB on the subject till March 31, 2021.

Foreign Investments in HFCs:

Foreign investment in our Company is governed primarily by the FEMA, the rules made thereunder, read with the Consolidated FDI Policy and the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended. Up to 100% foreign investment under the automatic route is currently permitted in “Other Financial Services”, which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions specified by the concerned regulator (in our case, the IRDAI and the RBI), if any.

RBI Guidelines for Appointment of Statutory Central Auditors (“SCAs”)/Statutory Auditors (“SAs”) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 (“RBI Auditors Guidelines”)

The RBI Auditors Guidelines are applicable to commercial banks (excluding regional rural banks), urban co-operative banks and NBFCs (including HFCs) for FY 2021-22 and onwards in respect of appointment/reappointment of SCAs/ SAs. As the RBI Auditors Guidelines shall be implemented for the first time for urban co-operative banks and NBFCs from FY 2021-22, they shall have the flexibility to adopt the guidelines from second half of FY 2021-22 in order to ensure that there is no disruption. While NBFCs, including HFCs, do not have to take prior approval of RBI for appointment of SCAs/ SAs, all NBFCs, including HFCs, need to inform RBI about the appointment of SCAs/ SAs for each year by way of a certificate within one month of such appointment. Further, the RBI Auditors Guidelines provide for, *inter alia*, the minimum and maximum number of SCAs/ SAs per entity, eligibility criteria for auditors, tenure and rotation, independence of auditors and professional standards of SCAs/ SAs.

RBI guidelines dated June 24, 2021 on declaration of dividends by NBFCs (“RBI Dividend Guidelines”)

The RBI Dividend Guidelines provides for guidelines for declaration of dividend from the profits of the financial year ending March 31, 2022 and onwards for NBFCs. The board of directors of NBFCs shall, while considering the proposals for dividend, take into account the following aspects: (a) supervisory findings of the Reserve Bank (NHB for HFCs) on divergence in classification and provisioning for Non-Performing Assets (NPAs), (b) qualifications in the Auditors’ Report to the financial statements; and (c) long term growth plans of the NBFC.

Other applicable laws:

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

Shops and establishments regulations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour laws

India has stringent labour related legislations. Our Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual property regulations

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

The Acts applicable to our Company will be:

Trade Marks Act, 1999 (the "TM Act")

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

OUR MANAGEMENT

Board of Directors

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company. The Articles of Association of our Company provide that the number of directors shall not be more than 7 (seven) unless otherwise agreed in terms of the provisions of Articles of Association of our Company. At present, our Company has 7 (seven) Directors on its Board, out of which 1 is Independent Director and 4 are Nominee Directors and 1 is Managing Director and 1 is Non-Executive Director.

The following table provides information about the Directors as of the date of this Draft Prospectus:

Name, designation and DIN	Age (in years)	Other Directorships
Mr. Anil Mehta Chairman & Non-Executive Director DIN: 02132315 Date of Appointment: November 23, 2021 Address: LCG 404 A, The Laburnum, Sushant Lok, Gurgaon - 122 002	60	-
Mr. Rupinder Singh Managing Director & Chief Executive Officer DIN: 09153382 Date of Appointment: November 23, 2021 Address: A-302, Unique Apartments, Plot No. 38, Dwarka Sector 6, Delhi - 110 075	45	-
Mr. Sumir Chadha Nominee Director DIN: 00040789 Date of Appointment: June 03, 2015 Address: 711, Eucalyptus Ave, Hillsborough, California 94010 USA	50	<ul style="list-style-type: none"> • Star Health and Allied Insurance Company Limited • Aptus Value Housing Finance India Limited • Mountain Managers Private Limited • Kuhoo Technology Services Private Limited
Mr. Shailesh Jayantilal Mehta Nominee Director DIN: 01633893 Date of Appointment: November 03, 2021 Address: 222 Camino Al Lago, Atherton, CA 94027, USA	72	<ul style="list-style-type: none"> • Aptus Value Housing Finance India Limited • Manappuram Finance Limited • Manappuram Finance Tamil Nadu Limited • Safari Industries (India) Limited • Vistaar Financial Services Private Limited
Mr. Anup Kumar Gupta Nominee Director DIN: 02284944 Date of Appointment: July 21, 2012 Address: B-1403, Vivarea, Sane Guruji Marg, Near Jacob Circle, Mahalaxmi, Mumbai - 400 011	49	<ul style="list-style-type: none"> • Nexus India Capital Advisors Private Limited • Moveinsync Technology Solutions Private Limited
Mr. Sudhin Bhagwandas Choksey Nominee Director DIN: 00036085 Date of Appointment: November 03, 2021 Address: 4, Shivalik Florette, Off Iscon Ambali, Ahmedabad - 380 058	67	<ul style="list-style-type: none"> • CBS Bank Limited • Kuhoo Technology Services Private Limited
Ms. Rachna Dikshit Independent Director DIN: 08759332 Date of Appointment: February 12, 2021 Address: E-3, Greenwoods City, Sector-46, Gurugaon - 122 003	62	<ul style="list-style-type: none"> • Capital India Finance Limited • India SME Asset Reconstruction Company Limited

** In the Board Meeting held on November 02, 2021, Mr. Shailesh Jayantilal Mehta resigned as Independent Director and was re-appointed as a Nominee Director. Our Company has a time period of 3 months period to fill*

in the vacancy of Independent Director to comply with the Corporate Governance requirement relating to composition of Board of Directors.

Relationship between Directors

None of the Directors of our Company are related to each other.

Brief profiles of our Directors

Mr. Anil Mehta, aged 60 years, is the Chairman of our Company. He did his Master's in Business Administration from SP Jain Institute of Management & Research and is a graduate in Economics. He has worked with large institutions in the Mortgage, Banking and Insurance space. He has led consumer credit and business functions and helped build multiple new businesses. He has worked with HDFC Ltd, Bank of America, American Express, ANZ Bank and Max New York Life Insurance Co. Mr. Mehta was appointed as Managing Director and Chief Executive Officer w.e.f. May 21, 2019. On November 23, 2021, he was re-designated as the Chairman & Non-Executive Director of our Company.

Mr. Rupinder Singh, aged 45 years, is the Managing Director and Chief Executive Officer of our Company. He is MBA from FORE School of Management. He has worked with companies such as GE Consumer Finance, HDFC Bank and Cholamandalam Investment & Finance Company. He has led the Home Equity/ Mortgage & SME businesses at Chola and was instrumental in driving quality portfolio growth and delivering large profits. He was onboarded as Chief Operating Officer of the Company in July, 2020 and appointed him as Executive Director and then as MD & CEO.

Mr. Sumir Chadha, aged 50 years, is the Nominee Director of our Company. He holds a bachelor's degree in computer science from Princeton University, New Jersey and a master's degree in business administration from Harvard Business School, Boston. He is the co-founder of WestBridge Capital and has several years of investing experience in Indian companies, both public and private. Earlier in his career, He also co-founded and was Managing Director of Sequoia Capital India, and worked at Goldman Sachs and at McKinsey & Co. He has served on several boards, of both listed and unlisted companies, Indian and foreign companies, and currently serves on the boards of several Indian companies such as Aptus Value Housing Finance India Limited, Star Health and Allied Insurance Company Limited, India Shelter Finance Corporation Limited, Kuhoo Technology Services Private Limited, Mountain Managers Private Limited and foreign companies that include Biz2Credit Inc., Bitonic Technology Labs, Inc., Innovaccer Inc., SupportLogic Inc. and Turing Enterprises Inc. He has previously served as Chairman of the Indian Private Equity and Venture Capital Association (IVCA). Some of his other current notable roles include:

- Serves as a member on the Board of directors of the American India Foundation,
- Serves as a Trustee on the Princeton University Board of Trustees and Crystal Springs Uplands School.
- Member on the Advisory Council of MS Chadha Center for Global India, member of the investment sub-committee for Lehigh University and part of the team at US India Strategic Partnership Forum.
- Advisory Board member at Akshaya Patra and serves as a Strategic Advisor on the Board of Advisors of Granite Hill Capital Partners

Mr. Shailesh Jayantilal Mehta, aged 72 years, is the Nominee Director of our Company. He holds a Ph.D. in Operation Research and Computer Science from Case Western Reserve University and a B.Tech from the Indian Institute of Technology (IIT), Bombay. He was the Chairman of the Board and CEO of Providian Financial Corporation. He has also been the president and COO of Capital Holding. He is a Managing General Partner of Granite Hill Capital Partners since 2007. He has also served as operating general partner of WestBridge Capital and is an operating Advisor to Westbridge Capital. He has received several awards for excellence in leadership, as an individual and as a community leader. He was awarded an Honorary Doctorate from California State University and recognised as Doctor of Humane Letters. He is also known for his philanthropic activities. He has formed the Shailesh J. Mehta and Kalpa S. Mehta Charitable Foundation, which has given millions of dollars in grants to various institutions and causes such as: Indian Institute of Technology, Bombay – Shailesh J. Mehta School of Management, Asian Art Museum, American Indian Foundation, Case Western Reserve University, California State University at East Bay, and UC Berkeley.

Mr. Anup Kumar Gupta, aged 49 years, is the Nominee Director of our Company. He holds a B.Tech (Hons) from IIT Kharagpur and PG Diploma from IIM Calcutta. He was previously associated with WNS (Holdings) Ltd., a leading IT enabled services (ITES) company as Group Chief Operating Officer.

Mr. Sudhin Bhagwandas Choksey, aged 67 years, is the Nominee Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and has done his graduation in Commerce (Honours) from The Sydenham College of Commerce & Economics, Bombay University. He is an experienced CEO with a demonstrated history of working in the mortgage finance business and skilled in lending business. He has an overall working experience of 42 years; both in India and abroad. He has served as an Independent Director on the Boards of many listed and unlisted companies during his professional working career. Currently, he is an Independent Director on the Board of CSB Bank. He is a former Managing Director of GRUH Finance Limited. During the span of 26 years of working with GRUH Finance, He held various positions including that of General Manager, CEO & Executive Director and Managing Director. GRUH merged with Bandhan Bank in October 2019. As a part of the scheme of merger, He joined Bandhan Bank as Executive Director (Designate) and later retired in February 2021. At Bandhan Bank, he was the vertical head of the housing finance business of the bank.

Ms. Rachna Dikshit, aged 62 years, is the Independent Director of our Company. She has served Reserve Bank of India for over a period of 33 years in various capacities including Regional Director, Punjab, Haryana and UT Chandigarh, General Manager, Financial Inclusion and Development Department, Chandigarh and New Delhi, General Manager, Department of Banking Regulation, Mumbai Central Office and so on. During her tenure as the Regional Director, she was responsible for all supervisory/ operational functions of inter alia banks, NBFCs, and cooperative banks and chaired the Empowered Committee for MSME and Co-chaired State level meetings including the SLBC, SLSC and SLCC. She as the General Manager, Financial Institutions & Development Department, Chandigarh and New Delhi, performed the role of spearheading financial literacy and addressed various seminars including those of CII and the PHD Chambers and as the General Manager, Department of Banking Regulation, Mumbai Central Office. She was also responsible for the Financial Institutions Division and the Credit Information Division.

Confirmations

No Director in 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 was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI, RBI or NHB are pending against any of our Directors.

None of our Director is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities in any other manner.

None of our Director is 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.

The permanent account number of the Directors have been submitted to the BSE at the time of filing of this Draft Prospectus.

Except for Mr. Anil Mehta, who is the Promoter of our Company, no other Director has any interest in the promotion of our Company. For details of the Promoter of our Company, please refer to “Our Promoter” on page 116.

Terms of appointment and remuneration of our Managing Director

The terms and conditions and remuneration of Mr. Singh, as approved, are as below:

Particulars	Amount (in ₹)
(i) Fixed Pay	2,30,00,000
(ii) Variable Pay	2,30,00,000
	Upto 100% of Fixed Pay or as per the bonus plan of the company, whichever is higher as approved by the Board of Directors/Committee

(iii) Rent Free Accommodation	10% of Fixed Pay	23,00,000
(iv) Insurance (GPA & GTL as per the policies of the company & GMC- Family Floater with sum assured of 60 lakhs)	Actuals, not to exceed Rs. 5,00,000/-.	5,00,000
Total		4,88,00,000

Other Allowances, Perquisites and Incentive: Subject to overall ceiling as aforesaid, he shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including bonus, performance incentive, medical reimbursement, leave travel concession for self and family, provision of car (Cost of car upto 25% of Fixed Pay for a block of 4 years) for his personal use along with the running and maintenance cost and such other allowances, benefits, amenities and facilities, etc. as per the Company's Rules and approved by NRC or as may be agreed mutually between the Board of Directors and the MD & CEO.

Mr. Rupinder Singh, MD & CEO, shall be subject to leave and other personnel policies of the Company from time to time.

ESOP and Warrants: Mr. Rupinder Singh shall be eligible for ESOP and Warrants as per the policy of the Company from time to time and provisions of Companies Act, 2013 and rules made thereunder.

Reimbursement of expenses incurred for the business of the Company: reasonable and necessary business expenses as incurred by him, which are directly related to the performance of his duties of employment, including travel, professional memberships and professional development, subject to documentation furnished by Mr. Rupinder Singh and ratification by the Chief Financial Officer.

Compensation of Directors

Non-Executive Directors

The Non-Executive Directors, other than Independent Directors, are not entitled to receive sitting fees.

The Independent Directors are entitled to receive the sitting fee for attending the meeting of the Board of Directors / Committee from time to time. Provided that the amount of such fees shall not exceed ₹1,00,000/ per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The following table sets forth the sitting fees paid by our Company to the Independent Directors:

Nature of Transaction	(₹ in Lakh)			
	Six Months Period ended September 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Sitting Fees				
Anisha Motwani	-	13.50	17.25	15.75
Sanjaya Gupta	-	-	9.75	13.50
Shailesh J Mehta	5.25	14.25	10.50	9.75
Rachna Dikshit	5.25	0.75	-	-

Interest of our Directors

Our Managing Director may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to them.

Our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses, if any, payable to them.

Our Directors, including Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may be deemed to be interested in the contracts, agreements or 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.

Except as otherwise stated in this Draft Prospectus and statutory registers maintained by our Company in this regard, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Draft Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them.

None of the Directors have any interest in immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Draft Prospectus.

None of the Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of the Company.

Our Directors may subscribe for NCDs in the present Issue, subject to applicable laws.

Other than as disclosed in this Draft Prospectus, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Further, our Company has not availed any loans from the Directors which are currently outstanding. Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Except as disclosed hereinabove and the section titled “Risk Factors” on page 13 of this Draft Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Borrowing Powers of the Board

Pursuant to resolution passed by the Shareholders of our Company at the EGM held on July 26, 2021 and in accordance with provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 and the provisions of the Memorandum of Association and Articles of Association of our Company, the Board of Directors/ Committee is authorized to borrow from time to time, for the purpose of the Company’s business any sum or sums of money as it may deem proper, notwithstanding that the money to be so borrowed together with the money already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, i.e. reserves not set apart for any specific purpose; provided however, that the total amount of the money so borrowed by the Board together with the money already borrowed and outstanding at any point of time shall not exceed ₹ 60,00,00,00,000 (Rupees Six Thousand Crores only).

Holding of Debentures by the Directors of our Company

As on the date of this Draft Prospectus, none of the Directors hold any debentures in our Company.

Shareholding of Directors including details of qualification shares held by Directors as on the date of this Draft Prospectus

As on the date of this Draft Prospectus, except the following, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company.

Name of Director	Designation	Number of Equity Shares	Number of Stock Options	Percentage Shareholding *
Mr. Rupinder Singh	Managing Director	-	9,35,000	-
Mr. Anil Mehta #	Non-Executive Chairman	7,45,367	75,000	1.71

* The percentage has been calculated based on the present issued and subscribed equity shares.

Our Company has entered into a Right to Subscribe Agreement with Mr. Anil Mehta, wherein Mr. Anil Mehta has a right to subscribe to 3,55,000 equity shares of our Company at a price of Rs. 83.20 (Rupees eighty three and paise twenty only) per equity share including premium. For details, refer to “Capital Structure” on page 42 of this Draft Prospectus.

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 this Draft Prospectus are as follows:

Name of the Director, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Mr. Anil Mehta	November 23, 2021	-	-	Re-designated as Chairman & Non-Executive Director
Mr. Rupinder Singh Managing Director DIN: 09153382	November 23, 2021	-	-	Appointed as Managing Director
Mr. Shailesh Jayantilal Mehta Nominee Director DIN: 01633893	November 03, 2021	-	-	Resigned as an Independent Director and appointed as Nominee Director
Mr. Sudhin Bhagwandas Choksey, Nominee Director DIN: 00036085	November 03, 2021	-	-	Appointed as Nominee Director
Mr. Ravi Shankar Venkataraman Ganapathy Agra Nominee Director DIN: 02604007	-	-	October 26, 2021	Resigned as Nominee Director w.e.f. closure of business as on October 26, 2021.
Mr. Rupinder Singh Executive Director DIN: 09153382	May 12, 2021	-	-	Appointed as Additional Executive Director and regularised in the EGM held on July 26, 2021
Ms. Rachna Dikshit, Independent Director DIN: 08759332	February 12, 2021	-	-	Appointed as Additional (Independent) Director w.e.f. February 12, 2021 and regularised in the AGM held on September 29, 2021
Ms. Anisha Motwani, Independent Director DIN: 06943493	-	-	February 17, 2021	Ceased to be Independent Director, w.e.f. closure of business as on February 17, 2021
Mr. Sanjaya Gupta, Independent Director DIN: 02939128	-	-	March 15, 2020	Ceased to be Independent Director, w.e.f. closure of business as on March 15, 2020
Mr. Anil Mehta, Managing Director & CEO DIN: 02132315	May 21, 2019	-	-	Re-appointed as MD & CEO
Mr. Shailesh Jayantilal Mehta, Independent Director DIN: 01633893	October 04, 2018	-	-	Re-appointed as Independent Director

Key Managerial Personnel and Senior Management Team

In addition to Mr. Rupinder Singh, Managing Director & Chief Executive Officer, our Company's Key Managerial Personnel and Senior Management Team are as follows:

Mr. Ashish Gupta, is the Chief Financial Officer of our Company. He is a Chartered Accountant and holds a Master's in Banking & Finance with experience of more than 15 years. He has worked with Satin Creditcare Network Limited, (NHHFDL) promoted by the WAVE Group, HSBC, IFCI Factors Limited (IFL), and Price Waterhouse.

Ms. Mukti Chaplot, is the Company Secretary & Head – Internal Audit of our Company. She is a Company Secretary and Chartered Accountant with 8 years of experience in corporate governance, equity raise, finance & audit.

Mr. Nilay Dutt, Heads the Human Resource Division of our Company. He is MBA (HR) with 22 years of experience in HR management. He has a rich portfolio with names like Gujarat Heavy Chemicals, Aksh Optifibre, Max New York Life, New York Life International, Max Life Insurance, and Standard Chartered.

Mr. Varun Guliani, is the Chief Technical Officer of our Company. He is MCA and is recognised as a Project Management Professional. With more than 14 years of experience, he has previously worked with Publicis Groupe, Max New York Life Insurance Company Limited, Religare Finvest Limited, and Hero Fincorp Limited.

Mr. Sidharth Vij, Heads the Credit Undertaking of our Company. He is a Chartered Accountant and received his CAIIB certification from the Indian Institute of Banking and Finance and also undertook MBA in Finance. He has previously worked with HDFC Bank, Development Bank of Singapore, CBOP, GE Money, ICICI Bank and Australian Trade Commission.

Mr. Prakash Bhawnani, Heads the Treasury & FP&A of our Company. He is a Chartered holder from CFAI, USA and has completed MBA, MS Finance, CAIIB and CS. With 12 years of experience, he has worked with ICICI Bank, Union Bank, Reliance Industries and Home Credit.

Mr. Saurabh Sharma, Heads the Business Operations of our Company. He is a Graduate. He has 18 years of experience in operations management for Financial, Banking and Insurance sector. He has worked with Associate India Financial Ltd, Max Life Insurance, ING Vysya Life Insurance, Canara HSBSObc Life.

Mr. Vinayak Mishra, Heads the Collections Division of our Company. He is a professional with 24 years of experience in FCU, RCU, audit, recovery & collections. He has worked with Orix India, India Bulls, Citi Bank, HDFC Bank and Magma Leasing.

All our Key Managerial Personnel and Senior Management Team are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Certain of our Key Managerial Personnel may also be regarded as interested in our Company to the extent of the Shares, Stock Options and/or Share Appreciation Rights, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of such Shares held by them.

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

Name	Number of Shares	Number of Stock Options
Mr. Rupinder Singh	-	9,35,000
Mr. Ashish Gupta	10,000	3,25,000
Ms. Mukti Chaplot	8,500	95,000

Other confirmations

None of the Directors, Promoter or Key Managerial Personnel of our Company has any financial or other material interest in the Issue.

Our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel.

Neither our Company, nor our Promoter or the companies with which our Promoter is or has been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental or regulatory or judicial authority.

Neither our Company nor Promoter have been declared as a Willful Defaulter in the last ten years.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

Related Party Transaction

For details of the related party transactions for the Financial Years ending 2021, 2020 and 2019 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, please refer to section “Financial Statements” on page 118.

Committees of the Board

Our Company has constituted the following committees of the Board, which have been constituted in accordance with the applicable law, including the Companies Act, 2013.

1. Audit Committee

The Audit Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Audit Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Ms. Rachna Dikshit	Independent Director	Chairperson
Mr. Rupinder Singh	Managing Director	Member

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Nomination and Remuneration Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Ms. Rachna Dikshit	Independent Director	Chairperson
Mr. Anup Kumar Gupta	Nominee Director	Member
Mr. Sumir Chadha	Nominee Director	Member

3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Corporate Social Responsibility Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Mr. Rupinder Singh	Managing Director	Chairman
Ms. Rachna Dikshit	Independent Director	Member
Mr. Sudhin Bhagwandas Choksey	Nominee Director	Member

4. Enterprise Risk Management Committee

The Enterprise Risk Management Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Enterprise Risk Management Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Mr. Rupinder Singh	Managing Director	Chairman
Ms. Rachna Dikshit	Independent Director	Member
Mr. Shailesh J Mehta	Nominee Director	Member
Mr. Anup Gupta	Nominee Director	Member
Mr. Sudhin Bhagwandas Choksey	Nominee Director	Member

5. Asset Liability Management Committee

The Asset Liability Management Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Asset Liability Management Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Mr. Rupinder Singh	Managing Director	Chairman
Mr. Ashish Gupta	Chief Financial Officer	Member
Mr. Varun Guliani	Head-IT	Permanent Invitee

6. IT Strategy Committee

The IT Strategy Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the IT Strategy Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Ms. Rachna Dikshit	Independent Director	Chairperson
Mr. Shailesh J Mehta	Nominee Director	Member
Mr. Rupinder Singh	Managing Director	Member
Mr. Varun Guliani	Head-IT	Member

7. Wilful Defaulter Review Committee

The Wilful Defaulter Review Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Wilful Defaulter Review Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Mr. Rupinder Singh	Managing Director	Chairman
Mr. Shailesh Jayantilal Mehta	Nominee Director	Member
Ms. Rachna Dikshit	Independent Director	Member

8. Customer Service & Grievance Redressal Committee

The Customer Service & Grievance Redressal Committee of our Company was re-constituted vide a Board resolution dated November 02, 2021.

The members of the Customer Service & Grievance Redressal Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Mr. Rupinder Singh	Managing Director	Chairman
Mr. Ashish Gupta	Chief Financial Officer	Member
Mr. Saurabh Sharma	Head-Operations	Member

Employee Stock Option Schemes

Our Company has three stock option plans, namely, ESOP 2012, ESOP 2017 and ESOP 2021.

Employee Stock Option Plan 2012 (“ESOP 2012”)

Our Company established the Employees Stock Option Scheme 2012 (“ESOP 2012”) which was approved by the Board of Directors in their meeting held on 17 August, 2012. Employees covered by the plan are granted an option to purchase shares of our Company subject to the requirements of vesting.

Employee Stock Option Scheme 2017 (ESOP 2017)

Our Company established the Employees Stock Option Scheme 2017 (“ESOP 2017”) which was approved by the Board of Directors in their meeting held on 10 November, 2017. Employees covered by the plan are granted an option to purchase shares of our Company subject to the requirements of vesting.

Employee Stock Option Scheme 2021 (ESOP 2021)

Our Company established the Employees Stock Option Scheme 2021 (“ESOP 2021”) which was approved by the Board of Directors in their meeting held on May 12, 2021. Employees covered by the plan are granted an option to purchase shares of our Company subject to the requirements of vesting.

For details, please refer to “Capital Structure” on page 42.

OUR PROMOTER

Profile of our Promoter



Anil Mehta

Anil Mehta (DIN: 02132315), born on February 21, 1961 and aged 60 years, is an Indian national. He is the Promoter and Chairman of our Company. He resides at LCG 404A, The Laburnum, Sushant Lok, Gurgaon – 122 002.

His permanent account number is ACCPM1631M

Anil Mehta is our Promoter and Chairman. He did his Master's in Business Administration from SP Jain Institute of Management & Research and is a graduate in Economics. He has worked with large institutions in the Mortgage, Banking and Insurance space. He has led consumer credit and business functions and helped build multiple new businesses. He has worked with HDFC Ltd, Bank of America, American Express, ANZ Bank and Max New York Life Insurance Co.

The permanent account number, aadhaar number, driving license number, bank account number(s) and passport number of our Promoter have been submitted to BSE Limited at the time of filing this Draft Prospectus.

Interest of our Promoter

For details on the interest of our Promoter, please refer to "Our Management-Interest of the Directors" on page 110. Further, for details pertaining to the transactions entered into between our Promoter and our Company, please refer "Financial Statements" on page 118.

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft 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.

Our Promoter does not have any interest in our Company other than the remuneration he may be entitled to as a Director, sharing infrastructure and common services. For further details, please see related party transactions in the section "Financial Statements" on page 118 of this Draft Prospectus.

Our Promoter may subscribe for NCDs in the present Issue, subject to applicable laws.

Our Promoter has no financial or other material interest in the Issue.

Other understandings and confirmations

Our Promoter has not been identified as a wilful defaulter by the RBI or any other governmental authority and is not a Promoter of any such Company which has been identified as a wilful defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Further, no violation of securities laws has been committed by our Promoter in the past and no regulatory action before SEBI, RBI or NHB is currently pending against our Promoter.

Our Promoter is not debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter has not been declared as a fugitive economic offender.

Promoter shareholding in our Company as on the date of this Draft Prospectus

Sr. No.	Name of the Shareholder	Total Number of Equity Shares	% of Shareholding to the total equity share capital	No. of Shares Pledged	% of Shares Pledged
1.	Anil Mehta	7,45,367	1.71	Nil	Nil

Further, our Company has entered into a Right to Subscribe Agreement with Mr. Anil Mehta, wherein Mr. Anil Mehta has a right to subscribe to 3,55,000 equity shares of our Company at a price of Rs. 83.20 (Rupees eighty three and paise twenty only) per equity share including premium. For details, refer to “Capital Structure” on page 42 of this Draft Prospectus.

Payment of benefit to the Promoter in last three years

Except as stated in this section and sections “Our Management” and “Financial Statements” on pages 107 and 118 respectively, no amounts or benefits have been paid or given or intended to be paid or given to our Promoter within the three Financial Years preceding the date of this Draft Prospectus. As on the date of this Draft Prospectus, except as may be stated in the section “Our Management” on page 107, there is no bonus or profit-sharing plan for our Promoter.

Our Promoter has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Draft Prospectus, except as disclosed under “Capital Structure” on page 42 of this Draft Prospectus.

FINANCIAL STATEMENTS

Reformatted Financial Statements of the Company for the financial years ended on March 31, 2021, 2020 and 2019	F-1
Un-audited limited reviewed financial statement for the period ended September 30, 2021	F-57



The Board of Directors,
India Shelter Finance Corporation Limited
Plot No-15, Sector-44,
Gurugram - 122002, Haryana, India.

Auditors' Report on the reformatted statement of assets and liabilities as at March 31, 2021, 2020 and 2019 and Reformatted of profit and loss, cash flows, statement of change in equity for the each of the years ended March 31, 2021, 2020 and 2019 of India Shelter Finance Corporation Limited (collectively, the "Reformatted Ind AS Financial Information")

Dear Sirs / Madams,

1. We have examined the attached Reformatted Ind AS Financial Information of India Shelter Finance Corporation Limited (the "Company") as at March 31, 2021, March 31, 2020 and March 31, 2019 and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed issue of Rated, Secured, Senior, Listed, Transferable, Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each ("NCD"). The Reformatted Ind AS Financial Information, which have been approved by the Asset Liability Committee of the Board of Directors of the Company dated 23rd December, 2021, have been prepared by the Company in accordance with the requirements of:
 - a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and
 - b) relevant provisions of the Securities and Exchange Board of India (Non-Convertible Securities) Regulations, 2021 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

Management's Responsibility for the Reformatted Ind AS Financial Information

2. The preparation of Reformatted Ind AS Financial Information is based on audited financial statements of the Company 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, which are to be included in the Draft Prospectus and the Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Ind AS Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the Regulations.

Auditors' Responsibilities

3. We have examined such Reformatted Ind AS Financial Information taking into consideration:
 - a) the terms of reference and our engagement agreed with you vide our engagement letter dated December 23, 2021, requesting us to carry out work on such Reformatted Ind AS Financial Information in connection with the Company's Issue of NCDs;
 - b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the

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(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015

Gurgaon Office: 76E, Udyog Vihar Phase IV, Gurugram-122001 (Haryana)
Phone: 0124-4129900, Fax-011-4114935, E-Mail: gurgaon@trchadha.com
Corporate Office/ Regd. Office: B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone: 43259900, Fax: 43259930, E-mail: delhi@trchadha.com



Institute of Chartered Accountants of India (the “Guidance Note”); and

- c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.
4. The Company proposes to make an offer which comprises an issue of Rated, Secured, Senior, Listed, Transferable, Redeemable Non-Convertible Debentures of Rs. 1,000 each by the Company, as may be decided by the Board of Directors of the Company.

Reformatted Ind AS Financial Information

5. The Reformatted Ind AS Financial Information have been compiled by the management from the audited Ind AS financial statements of the Company as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, which have been approved by the Board of Directors at their meetings held on May 12, 2021, June 10, 2020 and May 28, 2019 respectively;
6. For the purpose of our examination, we have relied on Auditors’ reports issued by another auditor, dated May 12, 2021, June 10, 2020 and May 28, 2019 on the financial statements of the Company as at and for each the years ended March 31, 2021, March 31, 2020 and March 31, 2019 as referred in Paragraph 5 above;

Previous auditor report dated May 12, 2021 on the Audited Ind AS Financial Statement as at and for the year ended March 31, 2021, included:

- The report also included as an Annexure, a statement on certain matters by the Companies (Auditor's Report) Order, 2016 to indicate VII (a) slight delay in payment of undisputed statutory dues; VII (b) disclosure of statutory dues outstanding on account of a dispute;

Previous auditor report dated June 10, 2020 on the Audited Ind AS Financial Statement as at and for the year ended March 31, 2020, included:

Emphasis of Matter

- attention invited to note 44 of the Ind AS financial statements, which describes the uncertainty relating to the effect of COVID-19 pandemic of the Company's operations. opinion is not modified in respect of this matter.
 - attention invited to note 45 relating to restatement of the comparative financial statements in accordance with the principles of Ind AS 8, Accounting Policies, Changes in accounting Estimates and Error. opinion is not modified in respect of this matter.
 - The report also included as an Annexure, a statement on certain matters by the Companies (Auditor's Report) Order, 2016 to indicate VII (b) disclosure of statutory dues outstanding on account of a dispute;
7. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:
 - a) the Reformatted Statement of assets and liabilities and notes forming part thereof, the Reformatted Statement of profit and loss and notes forming part thereof, the Reformatted Statement of cash flows and Reformatted Statement of change in equity (“Reformatted Ind AS Financial Information”) of the Company as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 have been examined

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by us, as set out in Annexure to this report. These Reformatted Ind AS Financial Information have been prepared after regrouping, which is more fully described in Significant Accounting policies and notes (Refer Annexure).

- b) based on our examination as above:
- i) the Reformatted Ind AS Financial Information have to be read in conjunction with the notes given in Annexure; and
 - ii) the figures of earlier period have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Ind AS Financial Information as at and for the year ended March 31, 2021.

Opinion

8. In our opinion, the Reformatted Ind AS Financial Information and the other financial information referred to in paragraph 7 above, as disclosed in the Annexure to this report, read with respective significant accounting policies disclosed in Annexure, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

Other matter

9. In the preparation and presentation of Reformatted Ind AS Financial Information based on audited financial statements as referred to in paragraph 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 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, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. This report is intended solely for use of the management for inclusion in the Draft Prospectus and the Prospectus to be filed with Registrar of Companies, NCT Delhi and Haryana, SEBI and BSE Limited in connection with the proposed Issue of NCD of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Reg. No:- 006711N/N500028

Aashish Gupta
(Partner)
Membership No. 097343
UDIN No. 21097343AAAANX4995

Place: Gurugram
Date: 23rd December, 2021

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Gurgaon Office: 76E, Udyog Vihar Phase IV, Gurugram-122001 (Haryana)
Phone: 0124-4129900, Fax-011-4114935, E-Mail: gurgaon@trchadha.com
Corporate Office/ Regd. Office: B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone: 43259900, Fax: 43259930, E-mail: delhi@trchadha.com

India Shelter Finance Corporation Limited
Reformatted Statement of Assets and Liabilities
(All amounts in Rs. lakh, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Assets				
(1) Financial assets				
(a) Cash and cash equivalents	3	23,309.46	1,733.99	6,377.79
(b) Bank balance other than cash and cash equivalents	4	18,058.31	16,513.80	1,632.59
(c) Loans	5	1,98,116.96	1,47,515.19	1,14,062.56
(d) Investments	6	-	9,385.88	7,976.89
(e) Other financial assets	7	2,808.55	209.50	318.05
(2) Non-financial assets				
(a) Current tax assets (net)	8	3.55	344.55	422.93
(b) Deferred tax assets (net)	9	933.65	1,006.14	855.90
(c) Property, plant and equipment	10	1,403.13	1,621.19	555.14
(d) Other intangible assets	11	107.74	163.53	107.75
(e) Other non-financial assets	12	1,174.97	1,153.18	1,065.69
(f) Assets held for sale		347.85	252.18	100.14
Total assets		2,46,264.17	1,79,899.13	1,33,475.43
Liabilities and equity				
Liabilities				
(1) Financial liabilities				
(a) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	13	12.12	2.58	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	450.63	404.48	387.22
(b) Debt securities	14	8,222.38	24,588.20	15,029.58
(c) Borrowings (other than debt securities)	15	1,40,906.65	68,872.16	36,291.66
(d) Other financial liabilities	16	2,088.81	633.74	1,244.74
(2) Non-financial liabilities				
(a) Provisions	17	359.73	401.13	338.19
(b) Other non-financial liabilities	18	496.89	168.47	229.46
Total liabilities		1,52,537.21	95,070.76	53,520.85
(3) Equity				
(a) Equity share capital	19	4,297.84	4,283.02	4,240.45
(b) Other equity	20	89,429.12	80,545.35	75,714.13
Total equity		93,726.96	84,828.37	79,954.58
Total liabilities and equity		2,46,264.17	1,79,899.13	1,33,475.43

The accompanying notes form an integral part of these financial statements.
This is the balance sheet referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Aashish Gupta
Partner
Membership No.: 097343

Anil Mehta
Chairman
DIN: 02132315
Place: Gurugram
Date: 23 December 2021

Rupinder Singh
Chief Executive Officer
and Managing Director
DIN: 09153382
Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

Ashish Gupta
Chief Financial Officer
Place: Gurugram
Date: 23 December 2021

Mukti Chaplot
Company Secretary
Membership No. 38326
Place: Gurugram
Date: 23 December 2021

India Shelter Finance Corporation Limited
Reformatted Statement of profit and loss
(All amounts in Rs. lakh, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations				
(i) Interest income	21	27,457.21	21,213.58	15,040.81
(ii) Fees and commission income	22	999.26	957.34	417.45
(iii) Net gain on fair value changes	23	291.85	737.14	1,137.76
(iv) Net gain on derecognition of financial instruments under amortised cost category		2,922.29	-	-
(I) Total revenue from operations		31,670.61	22,908.06	16,596.02
(II) Other income	24	609.22	82.98	0.06
(III) Total income (I+II)		32,279.83	22,991.04	16,596.08
Expenses				
(i) Finance costs	25	10,534.81	7,534.87	4,434.59
(ii) Impairment on financial instruments	26	1,984.73	1,173.32	326.34
(iii) Employee benefits expenses	27	6,168.58	5,037.61	4,478.75
(iv) Depreciation and amortisation	28	509.84	586.88	210.04
(v) Other expenses	29	1,786.18	2,274.48	3,034.15
(IV) Total expenses		20,984.14	16,607.16	12,483.87
(V) Profit before tax (III-IV)		11,295.69	6,383.88	4,112.21
(VI) Tax expense:	30			
(1) Current tax		2,477.20	1,842.95	1,106.06
(2) Deferred tax charge/(credit)		79.63	(150.21)	(32.74)
Total tax expense		2,556.83	1,692.74	1,073.32
(VII) Profit for the year (V-VI)		8,738.86	4,691.14	3,038.89
(VIII) Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
-Remesurment of defined benefit obligations		(28.39)	(0.20)	9.29
(ii) Income tax relating to items that will not be reclassified to profit or loss		7.15	0.05	(2.71)
Total other comprehensive income		(21.24)	(0.15)	6.58
(IX) Total comprehensive income for the year(VII+VIII)		8,717.62	4,690.99	3,045.47
(X) Earnings per equity share	40			
Basic (Rs.)		20.39	10.99	7.89
Diluted (Rs.)		19.86	10.80	7.68

The accompanying notes form an integral part of these financial statements.
This is the statement of profit and loss referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Aashish Gupta
Partner
Membership No.: 097343

Anil Mehta
Chairman
DIN: 02132315

Rupinder Singh
Chief Executive Officer
and Managing Director
DIN: 09153382

Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

Ashish Gupta
Chief Financial Officer

Mukti Chaplot
Company Secretary
Membership No. 38326

Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

India Shelter Finance Corporation Limited
Reformatted Statement of changes in equity
(All amounts in Rs. lakh, unless otherwise stated)

A. Equity share capital

Particulars	Balance as at 01 April 2018	Changes during the year	Balance as at 01 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the year	Balance as at 31 March 2021
Equity share capital	3,591.80	648.65	4,240.45	42.57	4,283.02	14.82	4,297.84

B. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus				Items of other comprehensive income	Total
		Statutory reserve	Securities premium	Employee share based payment reserve	Retained earnings	Re-measurements of defined benefit plans	
Balance as at 01 April 2018	-	1,170.35	48,389.95	243.02	3,365.10	24.06	53,192.48
Transfer to statutory reserve	-	567.21	-	-	(567.21)	-	-
Movement during the year	53.11	-	19,394.69	(12.45)	40.83	-	19,476.18
Profit for the year	-	-	-	-	3,038.89	-	3,038.89
Other comprehensive income	-	-	-	-	-	9.29	9.29
Income tax on other comprehensive income	-	-	-	-	-	(2.71)	(2.71)
Balance as at 31 March 2019	53.11	1,737.56	67,784.64	230.57	5,877.61	30.64	75,714.13
Transfer to statutory reserve	-	938.23	-	-	(938.23)	-	-
Movement during the year	(53.11)	-	34.78	158.56	-	-	140.23
Profit for the year	-	-	-	-	4,691.14	-	4,691.14
Other comprehensive income	-	-	-	-	-	(0.20)	(0.20)
Income tax on other comprehensive income	-	-	-	-	-	0.05	0.05
Balance as at 31 March 2020	-	2,675.79	67,819.42	389.13	9,630.52	30.49	80,545.35
Transfer to statutory reserve	-	1,747.77	-	-	(1,747.77)	-	-
Movement during the year	-	-	5.17	160.98	-	-	166.15
Profit for the year	-	-	-	-	8,738.86	-	8,738.86
Other comprehensive income	-	-	-	-	-	(28.39)	(28.39)
Income tax on other comprehensive income	-	-	-	-	-	7.15	7.15
Balance as at 31 March 2021	-	4,423.56	67,824.59	550.11	16,621.61	9.25	89,429.12

The accompanying notes form an integral part of these reformatted financial statements.
This is the statement of changes in equity referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Aashish Gupta
Partner
Membership No.: 097343

Anil Mehta
Chairman

DIN: 02132315
Place: Gurugram
Date: 23 December 2021

Rupinder Singh
Chief Executive Officer and
Managing Director
DIN: 09153382
Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

Ashish Gupta
Chief Financial Officer

Place: Delhi
Date: 23 December 2021

Mukti Chaplot
Company Secretary
Membership No. 38326

Place: Delhi
Date: 23 December 2021

India Shelter Finance Corporation Limited
Reformatted Statement of cash flows
(All amounts in Rs. lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
(A) Cash flows from operating activities			
Profit before tax	11,295.69	6,383.88	4,112.21
Adjustments for:			
Depreciation and amortisation	509.84	586.88	210.04
Effective interest rate adjustment on financial assets	533.26	739.08	232.82
Effective interest rate adjustment on debt securities and borrowings	(9.59)	(283.59)	(55.39)
Share based payments to employees	161.21	159.41	44.26
Impairment on financial instruments	1,984.73	1,173.32	326.34
Impairment on assets held for sale	4.62	31.23	13.12
Net loss on derecognition of property, plant and equipment	14.65	6.28	2.87
Net unrealised gain on fair value change of investments	-	(35.88)	(124.77)
Net gain on derecognition of financial instruments under amortised cost category	(2,922.29)	-	-
Gain on termination of leases	(22.02)	-	-
Interest expense on lease liabilities	77.33	126.13	-
Operating profit before working capital changes	11,627.43	8,886.74	4,761.49
Movements in working capital			
Increase in loans	(53,068.15)	(35,346.09)	(38,494.59)
Decrease/(increase) in investments	9,385.88	(1,373.12)	(3,771.57)
Decrease in other financial assets	306.52	108.56	108.88
Increase in other non-financial assets	(137.21)	(316.23)	(762.30)
Increase in trade payables	55.69	19.84	202.19
Increase/(decrease) in other financial liabilities	1,455.06	(611.00)	369.13
Increase/(decrease) in other non-financial liabilities	328.41	(60.99)	116.61
(Decrease)/increase in provisions	(104.69)	42.99	114.81
(Decrease)/increase in interest accrued on debt securities and borrowings	(411.95)	1,258.90	933.19
Cash flows used in operating activities post working capital changes	(30,563.01)	(27,390.40)	(36,422.15)
Income tax paid (net)	(2,136.19)	(1,764.57)	(1,403.18)
Net cash flows used in operating activities (A)	(32,699.20)	(29,154.97)	(37,825.33)
(B) Cash flows from investing activities			
Payments made for purchase of property, plant and equipment and intangible assets	(177.95)	(146.35)	(418.16)
Proceeds from sale of property, plant and equipment	0.76	2.04	0.45
Investment in other bank balance (net)	(1,544.51)	(14,881.21)	5,093.91
Net cash used in investing activities (B)	(1,721.70)	(15,025.52)	4,676.20
(C) Cash flows from financing activities			
Proceeds from issue of equity share capital	19.99	24.24	20,096.45
Proceeds from debt securities	1,500.00	10,000.00	-
Proceeds from borrowings (other than debt securities)	97,840.02	44,346.23	27,031.53
Repayment of borrowings	(25,184.81)	(13,019.74)	(11,142.65)
Repayment of debt securities	(17,857.15)	(1,428.58)	-
Payment towards lease liabilities	(321.68)	(385.46)	-
Net cash flows from financing activities (C)	55,996.37	39,536.69	35,985.34
Net increase/(decrease) in cash and cash equivalents (A+B+C)	21,575.47	(4,643.80)	2,836.21
Cash and cash equivalents at the beginning of the year	1,733.99	6,377.79	3,541.58
Cash and cash equivalents at the end of the year	23,309.46	1,733.99	6,377.79
Components of cash and cash equivalents			
Cash on hand	53.61	10.60	57.61
Balances with banks (of the nature of cash and cash equivalents)			
(a) Balance with banks in current accounts	4,051.21	1,723.39	6,320.18
(b) Deposits with original maturity of less than 3 months	19,204.64	-	-
Total cash and cash equivalents	23,309.46	1,733.99	6,377.79

*Refer note 15 for reconciliation of liabilities arising from financing activities.

Note: The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash flows' as specified under Section 133 of the Companies Act, 2013, ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accompanying notes form an integral part of these reformatted financial statements.
This is the statement of cash flows referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited

Aashish Gupta
Partner
Membership No.: 097343

Anil Mehta
Chairman
DIN: 02132315
Place: Gurugram
Date: 23 December 2021

Rupinder Singh
Chief Executive Officer
and Managing Director
DIN: 09153382
Place: Gurugram
Date: 23 December 2021

Ashish Gupta
Chief Financial Officer

Mukti Chaptol
Company Secretary
Membership No. 38326

Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

Place: Gurugram
Date: 23 December 2021

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

1. Company overview/Corporate information

India Shelter Finance Corporation Limited ("the Company") is a Housing Finance Company registered under section 29A of The National Housing Bank Act, 1987 vide Registration Certificate No. 09.0087.10 dated 14 September 2010. The Company is engaged in providing secured retail home loans, home equity loans and loans against property to borrowers for a period up to twenty years. These loans are primarily to be used by the borrowers for home purchase, home improvements, home extension and for construction of dwelling units on plots owned by borrowers.

The Company does not accept public deposits, and utilises internal and external funds to provide loans to borrowers.

The Company's registered office and principal place of business is situated at 6th Floor, Plot No-15, Sector 44, Gurugram- 122001. The debentures of the Company are listed on the Bombay Stock Exchange.

1.1 Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements ("the Financial Statements") have been prepared in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by National Housing Bank (NHB) to the extent applicable. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

(ii) Historical cost convention

The financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values at the end of each reporting period as explained in relevant accounting policies. The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 'Leases' and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements 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 the 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 asset or liability.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

2. Summary of significant accounting policies

These financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain exemptions upon transition.

2.1. Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income on financial assets is recognised on a time proportion basis considering the amount outstanding and the effective interest rate applicable.

Effective Interest Rate ("EIR")

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. The future cash flows are estimated taking into account all the contractual terms of the instrument.

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 measured at Fair Value Through Profit and Loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

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).

Interest/Dividend income on investment

Interest income on investments and fixed deposits is recognised on time proportionate basis with reference to EIR method. Dividend income is accounted for when the right to receive it is established.

Income from assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

Fee and Commission Income

Fee and commission income includes fees other than those that are an integral part of EIR method. The Company recognises the fee and commission income at fair value of the consideration received or receivable when the Company satisfies the performance obligation.

Miscellaneous income

All other income is recognised on an accrual basis upon satisfaction of performance obligation, when there is no uncertainty in the ultimate realisation/collection and income can be measured reliably.

2.2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

2.3. Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013, or in case of assets where the estimated useful life was determined basis technical evaluation carried out by the Company, over the useful life so determined.

Depreciation on additions to fixed assets is provided for full month in which acquisition of the assets is made. No depreciation is provided for the month of sale/disposal of asset. Leasehold improvements are amortised over a period of lease. Asset costing less than Rs. 10,000 each are fully depreciated in the year of capitalisation.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

Estimated useful lives of the assets are as follows:

Asset category	Life (in Years)
Plant & Equipment- Computer and other related equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Handheld communication devices (included in office equipment)	2 years
Leasehold improvements	Over the period of the lease or the estimated useful life whichever is lesser.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is derecognised.

2.5. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Amortisation method, estimated useful lives and residual value

Intangible assets are amortised over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

2.6. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. For the purpose of assessing impairment, the smallest identifiable group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit.

Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

If at the reporting date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

2.7. Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

With effect from 1 April 2019, with introduction of Taxation Laws (Amendment) Ordinance, 2019, where section 115BAA was introduced in the Income-tax Act, 1961 proposing option to compute income tax liability at revised taxation rates. Further, under section 115JB (MAT provisions) a sub-section was introduced stating non-applicability of Minimum Alternative Tax ('MAT') provisions on the companies exercising option to pay income tax under section 115BAA. The tax expense for the current financial year 2020-21 and previous year 2019-2020, has been computed considering the revised tax provisions and thereby the provisions of MAT are not applicable to the Company.

MAT policy applicable before 1 April 2019, MAT under the provisions of the Income-tax Act, 1961 was recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

2.8. Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Share based payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the option determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

In respect of re-pricing of existing stock option, the incremental fair value of the option on the date of re-pricing is accounted for as employee cost over the remaining vesting period.

2.9. Expected credit losses and write-off of financial assets

Loan assets

Loans are classified into performing and non-performing assets in terms of policy adopted by the Company, subject to minimum classification and provisioning norms required under 'The Housing Finance Companies (NHB) Directions' issued by National Housing Bank (NHB) from time to time.

All loan exposures to borrowers with instalment structure are stated at disbursed value after netting off:

- i. unearned income
- ii. instalments appropriated up to the year end

Under Ind AS, the Company's assets have been classified as follows based on Exposure at Default:

- Stage 1: Performing Assets
- Stage 2: Under Performing Assets
- Stage 3: (a) Performing but identified as assets having some degree of stress;
(b) Non-Performing Assets

Under Ind AS, asset classification and provisioning moves from the 'rule based', incurred losses model to the Expected Credit Loss (ECL) model of providing for expected future credit losses. Thus, loan loss provisions are made on the basis of the Company's historical loss experience, future expected credit loss and after factoring in various macro-economic parameters

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

2.10. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

2.11. Leases

Company as a Lessee:

At inception of a contract, Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

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 underlying asset or the site on which it is located, less any lease incentives received.

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 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.

The lease liability is measured at amortised cost using the effective interest method. It is re measured 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 the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured 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.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'borrowings (other than debt securities)' in the balance sheet.

2.12. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in statement of profit and loss.

Financial assets

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

Classification and Subsequent measurement of financial assets

Financial assets are classified in to three categories for subsequent measurement:

- Financial asset at amortised cost
- Financial asset at fair value through other comprehensive income (FVTOCI)
- Financial asset at fair value through profit and loss(FVTPL)

Financial asset at amortised cost

Financial instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

Financial assets (debt instruments) at FVOCI

Financial asset (debt instruments) is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI. Financial assets included within the above category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Asset at FVTPL

Financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets classified under FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Financial liabilities

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion 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. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.14. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.
Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

2.15. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.16. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months.

2.17. Share/Securities issue expense

Share/security issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share/security issue expenses in excess of the balance in the Securities Premium Account are expensed off in the Statement of Profit and Loss.

2.18. Assets held for sale

Assets acquired by the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. 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 and they are measured at the lower of their carrying amount and the fair value less costs to sell.

2.19. 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 make strategic decision.

2.20. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements:

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Significant estimates:

Provision for employee benefits - Provision for employee benefits, requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Company's retirement benefit obligations.

India Shelter Finance Corporation Limited
Summary of significant accounting policies and other explanatory information

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

3.21 Recent Accounting Pronouncements

Amendment to Ind AS 116 “Leases” – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021.

Amendment to Ind AS 109 “Financial Instruments” and Ind AS 107 “Financial Instruments: Disclosures” – Interest rate Benchmark Reform

The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

Recent pronouncements: On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- a) Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c) Specified format for disclosure of shareholding of promoters.
- d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f) Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss

- a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

3. Cash and cash equivalents	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
I. Cash on hand	53.61	10.60	57.61
II. Balances with banks (of the nature of cash and cash equivalents)			
(a) Balance with banks in current accounts	4,051.21	1,723.39	6,320.18
(b) Deposits with original maturity of less than 3 months	19,204.64	-	-
Sub-total (a and b)	23,255.85	1,723.39	6,320.18
Total (I and II)	23,309.46	1,733.99	6,377.79

4. Bank balance other than cash and cash equivalents	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than 3 months*	18,058.31	16,513.80	1,632.59
Total	18,058.31	16,513.80	1,632.59

***The lien and margin money details of deposits (net of interest accrued) shown under note 4 are given below:**

- Deposits under lien aggregating to Rs. 392.01 lakhs (31 March 2020: Rs. 392.01 lakhs; 31 March 2019: Rs. 274.01 lakhs) being securitisation comfort provided to investors as collateral.
- Margin money amounting to Rs 1,675 lakhs (31 March 2020: Rs. 1,225 lakhs; 31 March 2019: Rs. 1,225 lakhs) with DCB Bank, Federal Bank and HDFC Bank for providing bank guarantee to National Housing Bank under Refinance assistance and UIDAI for Aadhar linked e-kyc services respectively.
- Deposits amounting to Rs. 1,378.69 lakhs (31 March 2020: Rs. 385 lakhs; 31 March 2019: Rs. 85 lakhs) are under lien against borrowings from banks.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

5. Loans	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
At amortised cost			
Term loans	2,01,084.25	1,48,933.25	1,14,707.44
Staff loans	133.04	201.19	195.85
Total gross	2,01,217.29	1,49,134.44	1,14,903.29
Less: Impairment loss	3,100.33	1,619.25	840.73
Total net	1,98,116.96	1,47,515.19	1,14,062.56
Secured by tangible	2,01,217.29	1,49,134.44	1,14,903.29
Total	2,01,217.29	1,49,134.44	1,14,903.29
Less: Impairment loss	3,100.33	1,619.25	840.73
Total net	1,98,116.96	1,47,515.19	1,14,062.56
Loans in India			
Public sectors	-	-	-
Others (individuals and other corporates)	2,01,217.29	1,49,134.44	1,14,903.29
Total gross	2,01,217.29	1,49,134.44	1,14,903.29
Less: Impairment loss	3,100.33	1,619.25	840.73
Total net	1,98,116.96	1,47,515.19	1,14,062.56

5.1 Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security by way of equitable mortgage of property.

5.2 Loan details

Particulars	Principal	Interest outstanding	Effective interest rate adjustment	Total
As at 31 March 2021	2,03,685.22	726.90	(3,194.83)	2,01,217.29
As at 31 March 2020	1,51,422.94	373.08	(2,661.58)	1,49,134.44
As at 31 March 2019	1,16,762.10	62.68	(1,921.49)	1,14,903.29

5.3 There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (31 March 2020: Nil; 31 March 2019: Nil).

5.4 Loans sanctioned but undisbursed amount to Rs. 11,022.64 lakhs as on 31 March 2021 (31 March 2020: 13,295.16 lakhs; 31 March 2019: 9,766.41 lakhs).

5.5 The Company has securitised assets amounting to Rs. 6,143.84 lakhs (31 March 2020: 5,472.75 lakhs; 31 March 2019: Nil). These loan assets have not been de-recognised from the loan portfolio of the Company as these does not meet the de-recognition criteria. The Company is responsible for collection and servicing of this loan portfolio on behalf of buyers/investors. In terms of the said securitisation agreements, the Company pays to buyer/investor on monthly basis the prorated collection amount as per the respective agreement terms.

5.6 During the financial year 2020-21, the Company has assigned pools of certain loans amounting to Rs. 16,949.36 lakh (31 March 2020: Nil; 31 March 2019: Nil) by way of a direct assignment transactions. These loans have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreements, the Company pays to assignees, on a monthly basis, the pro-rata collection amounts.

5.7 Expected credit loss

Expected credit loss is a calculation of the present value of the amount expected not to be recovered on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of significant accounting policies.

(i) Definition of default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments. The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.

ii) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

iii) Loss given default

The Company segments its retail lending products into homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types, loan to value (LTV) ratio, expected realisation rate, etc.) as well as borrower characteristics.

iv) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

v) Delinquency buckets have been considered as the basis for the staging of all loans with:

- 0-30 days past due loans classified as stage 1,
- 31-90 days past due loans classified as stage 2 and
- > 90 days past due loans classified as stage 3

vi) Macro economic factors

Macro-economic variables relevant to the underlying loan portfolio such as Gross Domestic Product, Inflation, Housing Price Index and 10 year bond yield were analysed for their correlation. Based on the analysis of trend, the Company has considered the 10 year bond yield as relevant macro-economic factor as it shows improved correlation with the portfolio performance.

vii) Credit quality of asset

The Company has classified all individual loans as amortised cost and has assessed it at the collective pool level. The individual loan book has been divided into the housing and non-housing (Loan against property) sub portfolios.

The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the yearly slippages from advances originating in a particular year. The vintage slippage experience/default rate is then used to build the PD term structure.

The workout methodology has been used to determine LGD wherein the recoveries of loans defaulted in past are tracked and discounted to the date of default using the effective interest rate. The worked out LGD for loans has been bucketed into various levels of collateral cover. LGD based on collateral cover has been applied to each loan in the portfolio based on specific collateral cover adjusted for the expected fall in valuation. The Company has used the adjusted collateral value based on management estimate in March 2021 to reflect the forward looking LGD given the expected fall in property price due to COVID19.

viii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is, as follows:

Reconciliation of gross carrying amount balance is as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
Loans to customers at amortised cost				
Balance as at 01 April 2018	75,401.79	317.65	1,009.25	76,728.69
Transfer to Stage 1	173.97	(33.48)	(140.49)	-
Transfer to Stage 2	(597.04)	597.04	-	-
Transfer to Stage 3	(860.48)	(139.22)	999.70	-
New financial assets originated	53,412.37	17.41	35.74	53,465.52
Financial assets that have been de-recognised	(14,859.67)	(105.59)	(325.66)	(15,290.92)
Balance as at 31 March 2019	1,12,670.94	653.81	1,578.54	1,14,903.29
Transfer to Stage 1	359.70	(171.25)	(188.45)	-
Transfer to Stage 2	(1,721.34)	1,808.17	(86.83)	-
Transfer to Stage 3	(1,156.06)	(213.91)	1,369.97	-
New financial assets originated	55,660.70	216.56	77.85	55,955.11
Financial assets that have been de-recognised	(20,505.81)	(143.51)	(1,074.64)	(21,723.96)
Balance as at 31 March 2020	1,45,308.13	2,149.87	1,676.44	1,49,134.44
Transfer to Stage 1	762.84	(602.26)	(160.58)	-
Transfer to Stage 2	(4,437.05)	4,586.77	(149.72)	-
Transfer to Stage 3	(3,075.76)	(832.18)	3,907.94	-
New financial assets originated	85,656.78	35.17	66.64	85,758.59
Financial assets that have been de-recognised	(32,644.91)	(252.43)	(778.40)	(33,675.74)
Balance as at 31 March 2021	1,91,570.03	5,084.94	4,562.32	2,01,217.29

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

Reconciliation of ECL balance is as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April 2018	344.74	2.39	238.55	585.68
Transfer to Stage 1	1.25	(0.47)	(0.78)	-
Transfer to Stage 2	(3.49)	3.49	-	-
Transfer to Stage 3	(4.25)	(1.04)	5.29	-
ECL re-measurements due to changes in EAD/assumptions (net)	85.12	0.67	219.63	305.42
New financial assets originated	109.94	0.12	7.92	117.98
Financial assets that have been de-recognised	(58.60)	(0.60)	(109.15)	(168.35)
Balance as at 31 March 2019	474.71	4.56	361.46	840.73
Transfer to Stage 1	2.42	(1.24)	(1.18)	-
Transfer to Stage 2	(29.15)	31.21	(2.06)	-
Transfer to Stage 3	(421.58)	(67.73)	489.31	-
ECL re-measurements due to changes in EAD/assumptions (net)	732.99	66.88	4.18	804.05
New financial assets originated	204.76	3.16	13.88	221.80
Financial assets that have been de-recognised	(58.00)	(0.54)	(188.79)	(247.33)
Balance as at 31 March 2020*	906.15	36.30	676.80	1,619.25
Transfer to Stage 1	7.33	(5.81)	(1.52)	-
Transfer to Stage 2	(134.95)	139.55	(4.60)	-
Transfer to Stage 3	(1,015.17)	(246.82)	1,261.99	-
ECL re-measurements due to changes in EAD/assumptions (net)	1,339.71	232.23	(100.89)	1,471.05
New financial assets originated	363.79	2.44	27.91	394.14
Financial assets that have been de-recognised	(89.05)	(4.52)	(290.54)	(384.11)
Balance as at 31 March 2021*	1,377.81	153.37	1,569.15	3,100.33

*includes ECL amount of Rs. 15.49 lakhs(31 March 2020: 5.42 lakhs) created on securitised loans derecognised from the books which has been adjusted from EAD as at 31 March 2021.

ix) Comparison of ECL provision and NHB required provision

As at 31 March 2021

Asset classification as per NHB Directions	Asset classification as per Ind AS 109	Gross carrying amount as per contractual terms	Loss allowance as per Ind AS	Provision required as per NHB prudential norms	Difference between Ind AS 109 provisions and NHB norms
Performing assets					
Standard assets	Stage 1*	1,93,430.38	1,373.54	626.12	747.42
	Stage 2	4,993.66	152.75	36.84	115.91
	Stage 3**	1,315.69	409.31	131.42	277.89
Sub-total		1,99,739.73	1,935.60	794.38	1,141.22
Non- performing assets (NPA)					
Substandard	Stage 3	2,857.44	895.79	462.47	433.32
Doubtful - up to 1 year	Stage 3	717.56	238.23	221.62	16.61
Doubtful - 1 to 3 years	Stage 3	20.27	6.38	10.76	(4.38)
Doubtful - More than 3 years	Stage 3	-	-	-	-
Sub-total for doubtful		737.83	244.61	232.38	12.23
Loss	Stage 3	23.43	8.84	23.43	(14.59)
Sub-total for NPA		3,618.70	1,149.24	718.28	430.96
Total		2,03,358.43	3,084.84	1,512.66	1,572.18

* Does not includes ECL amount of Rs. 15.49 lakhs created on securitised loans derecognised from the books which has been adjusted from EAD as at 31 March 2021.

** Loans which were restructured during the year as per RBI notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 have been classified as stage 3 for the purpose of computation of ECL.

India Shelter Finance Corporation Limited
 Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

As at 31 March 2020

Asset classification as per NHB Directions	Asset classification as per Ind AS 109	Gross carrying amount as per contractual terms	Loss allowance as per Ind AS	Provision required as per NHB prudential norms	Difference between Ind AS 109 provisions and NHB norms
Performing assets					
Standard assets	Stage 1*	1,47,074.63	900.69	471.51	429.18
	Stage 2	2,087.05	36.33	50.01	(13.68)
Sub-total		1,49,161.68	937.02	521.52	415.50
Non- performing assets (NPA)					
Substandard	Stage 3	1,477.05	506.38	221.56	284.82
Doubtful - up to 1 year	Stage 3	464.25	165.51	116.06	49.45
Doubtful - 1 to 3 years	Stage 3	15.63	4.92	6.25	(1.33)
Doubtful - More than 3 years	Stage 3	-	-	-	-
Sub-total for doubtful		479.88	170.43	122.31	48.12
Loss	Stage 3	-	-	-	-
Sub-total for NPA		1,956.93	676.81	343.87	332.94
Total		1,51,118.61	1,613.83	865.39	748.44

* Does not includes ECL amount of Rs. 5.42 lakhs created on securitised loans derecognised from the books which has been adjusted from EAD as at 31 March 2020.

As at 31 March 2019

Asset classification as per NHB Directions	Asset classification as per Ind AS 109	Gross carrying amount as per contractual terms	Loss allowance as per Ind AS	Provision required as per NHB prudential norms	Difference between Ind AS 109 provisions and NHB norms
Performing assets					
Standard Assets	Stage 1	1,13,420.65	474.70	857.35	(382.65)
	Stage 2	657.31	4.57	5.13	(0.56)
Subtotal		1,14,077.96	479.27	862.48	(383.21)
Non- performing assets (NPA)					
Substandard	Stage 3	1,022.11	220.95	255.53	(34.58)
Doubtful - up to 1 year	Stage 3	439.95	108.53	175.98	(67.45)
Doubtful - 1 to 3 years	Stage 3	90.77	24.47	36.30	(11.83)
Doubtful - More than 3 years	Stage 3	-	-	-	-
Subtotal for doubtful		530.72	133.00	212.28	(79.28)
Loss	Stage 3	35.89	7.51	35.89	(28.38)
Subtotal for NPA		1,588.72	361.46	503.70	(142.24)
Total		1,15,666.68	840.73	1,366.18	(525.45)

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India Shelter Finance Corporation Limited
 Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

6. Investments	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
At fair value through profit and loss			
Investments in India			
Mutual funds	-	9,385.88	5,505.66
Commercial papers	-	-	2,471.23
Total	-	9,385.88	7,976.89

7. Other financial assets	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Security deposits	214.35	179.11	157.21
Receivables on securitised loans (refer note a)	27.79	6.11	153.72
EIS receivable on direct assignment (refer note b)	2,425.87	-	-
Insurance premium recoverable	11.27	22.57	7.12
Other receivables	145.98	1.71	-
Total gross	2,825.26	209.50	318.05
Less: Impairment loss allowance (on EIS Receivable assets)	(16.71)	-	-
Total	2,808.55	209.50	318.05

Note:

a) Receivables on securitised loans is amount receivable towards collections made, presently lying with buyers and recoverable by the Company as at the end of the year.

b) Under Ind AS, with respect to Assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to present value.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

8. Current tax assets (net)	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Advance income tax (net)	3.55	344.55	422.93
Total	3.55	344.55	422.93

9. Deferred tax assets (net)	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deferred tax assets			
Provision for employee benefits	76.79	95.99	98.48
Difference in written down value as per Companies Act and Income Tax Act	53.40	43.89	24.04
Impairment loss allowance	681.83	295.77	244.81
Financial assets measured at amortised cost	804.07	669.86	559.28
Provision for bonus	1.10	1.10	1.27
Lease liabilities	26.11	20.25	-
Assets held for sale	9.01	7.85	-
Deferred tax liabilities			
Fair valuation of financial instruments through profit and loss	-	(9.03)	(36.33)
Financial liabilities measured at amortised cost	(121.95)	(119.54)	(35.65)
EIS income on direct assignment	(596.71)	-	-
Net deferred tax assets	933.65	1,006.14	855.90

Movement in deferred tax assets (net)

Particulars	As at 1 April 2020	(Charged)/ credited to statement of profit and loss	Credited/(charg ed) to other comprehensive income	As at 31 March 2021
Deferred tax assets				
Provision for employee benefits	95.99	(26.35)	7.15	76.79
Difference in written down value as per Companies Act and Income Tax Act	43.89	9.51	-	53.40
Impairment loss allowance	295.77	386.06	-	681.83
Financial assets measured at amortised cost	669.86	134.21	-	804.07
Provision for bonus	1.10	-	-	1.10
Lease liability	20.25	5.86	-	26.11
Assets held for sale	7.85	1.16	-	9.01
Deferred tax liabilities				
Fair valuation of financial instruments through profit and loss	(9.03)	9.03	-	-
Financial liabilities measured at amortised cost	(119.54)	(2.41)	-	(121.95)
EIS income on direct assignment	-	(596.71)	-	(596.71)
Net deferred tax assets	1,006.14	(79.63)	7.15	933.65

Particulars	As at 01 April 2019	(Charged)/ credited to statement of profit and loss	Credited/(charg ed) to other comprehensive income	As at 31 March 2020
Deferred tax assets				
Provision for employee benefits	98.48	(2.54)	0.05	95.99
Difference in written down value as per Companies Act and Income Tax Act	24.04	19.85	-	43.89
Impairment loss allowance	244.81	50.96	-	295.77
Financial assets measured at amortised cost	559.28	110.58	-	669.86
Provision for bonus	1.27	(0.17)	-	1.10
Lease liability	-	20.25	-	20.25
Assets held for sale	-	7.85	-	7.85
Deferred tax liabilities				
Fair valuation of financial instruments through profit and loss	(36.33)	27.30	-	(9.03)
Financial liabilities measured at amortised cost	(35.65)	(83.89)	-	(119.54)
Net deferred tax assets	855.90	150.19	0.05	1,006.14

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

10. Property, plant and equipment

Gross block	Freehold land	Plant and equipment - computer and other related equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Right-of-use assets*	Total
Balance as at 01 April 2018	-	282.16	93.06	111.00	22.29	227.96	-	736.47
Additions during the year	9.17	94.57	48.84	34.57	-	121.56	-	308.71
Disposals/adjustments	-	(13.90)	(1.49)	(0.27)	-	-	-	(15.66)
Balance as at 31 March 2019	9.17	362.83	140.41	145.30	22.29	349.52	-	1,029.52
Additions during the year	-	22.01	14.00	10.18	-	33.75	1,525.24	1,605.18
Disposals/adjustments	-	-	(4.02)	(0.57)	-	(14.49)	-	(19.08)
Balance as at 31 March 2020	9.17	384.84	150.39	154.91	22.29	368.78	1,525.24	2,615.62
Additions during the year	-	94.80	17.14	4.49	55.45	11.98	616.15	800.01
Disposals/adjustments	-	(57.37)	(25.68)	(8.75)	-	(20.72)	(676.92)	(789.44)
Balance as at 31 March 2021	9.17	422.27	141.85	150.65	77.74	360.04	1,464.47	2,626.19
Accumulated depreciation								
Balance as at 01 April 2018	-	151.67	46.15	38.04	4.42	66.15	-	306.43
Depreciation charge for the year	-	78.60	21.88	15.05	2.79	61.99	-	180.31
Disposals/adjustments	-	(11.16)	(1.09)	(0.11)	-	-	-	(12.36)
Balance as at 01 April 2019	-	219.11	66.94	52.98	7.21	128.14	-	474.38
Depreciation charge for the year	-	82.65	23.21	14.49	2.79	67.87	339.77	530.78
Disposals/adjustments	-	-	(2.16)	(0.14)	-	(8.43)	-	(10.73)
Balance as at 31 March 2020	-	301.76	87.99	67.33	10.00	187.58	339.77	994.43
Depreciation charge for the year	-	60.52	22.34	12.53	4.16	55.65	289.63	444.83
Disposals/adjustments	-	(54.67)	(24.85)	(6.48)	-	(11.79)	(118.41)	(216.20)
Balance as at 31 March 2021	-	307.61	85.48	73.38	14.16	231.44	510.99	1,223.06
Net block								
Balance as at 01 April 2019	9.17	143.71	73.47	92.32	15.08	221.38	-	555.15
Balance as at 31 March 2020	9.17	83.08	62.40	87.58	12.29	181.20	1,185.47	1,621.19
Balance as at 31 March 2021	9.17	114.66	56.37	77.27	63.58	128.60	953.48	1,403.13

*The Company has adopted Ind AS 116 w.e.f. 01 April 2019 where the Company has recognised right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 month from the date of initial application.

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India Shelter Finance Corporation Limited
 Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

11. Other intangible assets

Gross block	Computer software
Balance as at 01 April 2018	104.18
Additions during the year	79.37
Balance as at 01 April 2019	183.55
Additions during the year	111.88
Balance as at 31 March 2020	295.43
Additions during the year	9.22
Balance as at 31 March 2021	304.65
Accumulated amortisation	
Balance as at 01 April 2018	46.07
Amortisation charge during the year	29.73
Balance as at 01 April 2019	75.80
Amortisation charge during the year	56.10
Balance as at 31 March 2020	131.90
Amortisation charge during the year	65.01
As at 31 March 2021	196.91
Net block	
Balance as at 01 April 2019	107.75
Balance as at 31 March 2020	163.53
Balance as at 31 March 2021	107.74

12. Other non-financial assets	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	453.58	467.20	589.88
Capital advances	15.95	31.08	76.55
Advance to employees	44.46	76.26	54.18
Advance to suppliers	88.07	51.60	55.98
Balance with government authorities	572.91	527.04	289.10
Total	1,174.97	1,153.18	1,065.69

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

13. Trade payables	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) total outstanding dues of micro enterprises and small enterprises (refer note 34)	12.12	2.58	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	450.63	404.48	387.22
Total	462.75	407.06	387.22

14. Debt securities (at amortised cost)	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Secured			
Non-convertible debentures (including interest accrued)	8,222.38	24,588.20	15,029.58
Total	8,222.38	24,588.20	15,029.58
Debt securities in India	8,222.38	24,588.20	15,029.58
Debt securities outside India	-	-	-
Total	8,222.38	24,588.20	15,029.58

i) Nil (31 March 2020: 5,000;31 March 2019: 5,000), @ 9.99% Secured unlisted non-convertible debentures (NCD) of face value Rs. 1,00,000 each aggregating to Rs. 5,000 lakhs payable in 8 quarterly installments ending in 10 February 2022. The date of allotment was 10 November 2017. The amount outstanding as on 31 March 2021 Rs. Nil (31 March 2020: Rs. 2,857.14 lakhs;31 March 2019: Rs. 4,285.71 lakhs).

(These NCD having exclusive first charge floating via a deed of hypothecation over specific standard asset portfolio of receivables to the extent equal to an amount aggregating to the total outstanding such that the value of security shall be equal of 1.10 times).

These NCD's were prepaid during the current year.

ii) Nil (31 March 2020: 1,000;31 March 2019: Nil), @ 11.25% Secured listed non-convertible debentures (NCD) of face value Rs.10,00,000 each aggregating to Rs. 10,000 lakhs payable in 7 yearly installments ending on 01 October 2026. The date of allotment is 01 October 2019. The amount outstanding as 31 March 2021 Rs. Nil (31 March 2020: 10,000 lakhs;31 March 2019: Rs. Nil).

(These NCD are secured by way of pari passu mortgage over certain identified immovable property situated at Tamil Nadu and exclusive first ranking charge by way of hypothecation over specific loan receivables/ book debts, present and future, representing amounts due from various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding such that the value of security shall be equal of 1.05 times).

These NCD's were prepaid during the current year

iii) 150 (31 March 2020: Nil;31March 2019: Nil), @ 10.25% Secured listed non-convertible debentures of face (NCD) value Rs.10,00,000 each aggregating to Rs. 1,500 lakhs repayable on 12 June 2023. The date of allotment of NCD was 12 June 2020. The amount outstanding as 31 March 2021 Rs. 1,500 lakhs (31 March 2020: Nil; 31 March 2019: Nil).

(These NCD are secured by way of a first ranking exclusive and continuing charge created pursuant to the deed of hypothecation over certain identified receivables of the Issuer. A security cover of 110% of the value of the aggregate principal amount outstanding on the NCD and interest accrued thereon (if any) shall be maintained at all times until the redemption of these NCD).

iv) 500 (31 March 2020: 1,000;31 March 2019: 1,000), @ 9.90% Secured listed non-convertible debentures of face (NCD) value Rs.10,00,000 each aggregating to Rs. 5,000 lakhs repayable on 02 May 2025 (Refer note v below). The date of allotment of NCD amounting to Rs. 2,500 lakhs was 04 May 2018 and of NCD amounting to Rs. 7,500 lakhs was 10 July 2018. The amount outstanding as 31 March 2021 Rs. 5,000 lakhs (31 March 2020: Rs. 10,000 lakhs;31 March 2019: Rs. 10,000 lakhs).

(These NCD are secured by the first ranking exclusive continuing security by way of a first ranking exclusive charge on the hypothecated receivables in favour of the Debenture Trustee for the benefit of the debenture holders).

(v) As at the date of allotment, these debenture holders of 9.90% NCD's and Company have put and call option as follows

Particulars	Amount of option
At the end of 36 months from the deemed date of allotment	3,334.00
At the end of 42 months from the deemed date of allotment	3,333.00
At the end of 48 months from the deemed date of allotment	3,333.00
At the end of 60 months from the deemed date of allotment	10,000.00

vi) **Amounts repayable from the date of balance sheet***

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
less than 1 year	-	2,828.57	1,428.57
one to three years	1,500.00	4,228.57	2,857.14
three to five years	5,000.00	2,800.00	-
more than five years	-	13,000.00	10,000.00

*All the above mentioned repayments disclosed as per the contractual maturities of debt securities at gross carrying value.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

15. Borrowings (Other than debt securities)	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
At amortised cost			
(a) Term loans - Secured (including interest accrued)			
(i) from banks	73,434.06	37,810.69	18,469.44
(ii) from other parties			
- Financial institutions	9,919.00	9,889.23	-
- National Housing Bank	52,854.52	14,548.57	14,792.61
(b) Lease liabilities	1,057.19	1,265.91	-
(c) Liability against securitised assets (net of over collateralisation amount)	3,641.88	5,357.76	3,029.61
Total	1,40,906.65	68,872.16	36,291.66
Borrowings in India	1,40,906.65	68,872.16	36,291.66
Borrowings outside India	-	-	-
Total	1,40,906.65	68,872.16	36,291.66

i) Secured term loans from National Housing Bank carry rate of interest in the range of 3.00% to 7.80% p.a (31 March 2020: 4.61% to 8.85%; 31 March 2019: 4.61% to 9.60%). The loans are having tenure of 1 to 15 years from the date of disbursement and are repayable in quarterly or yearly installments. These loans are secured by hypothecation (exclusive charge) of certain loans given by the Company.

ii) Secured term loans from banks and financial institutions include loans from various banks and financial institutions and carry rate of interest in the range of 7.65% to 11.20% p.a (31 March 2020: 8.80% to 11.44%; 31 March 2019: 8.40% to 11.44%). The loans are having tenure of 34 to 97 months from the date of disbursement and are repayable in monthly or quarterly installments. These loans are secured by hypothecation (exclusive charge) of certain loans given by the Company.

iii) In addition to above, the term loans amounting to Rs. 4,306 lakhs (31 March 2020: Rs. 6,631 lakhs; 31 March 2019: Rs. 8,516 lakhs) from banks and Rs. 2,500 lakhs (31 March 2020: INR 3,453 lakhs; 31 March 2019: Rs. 4,463 lakhs) from National Housing Bank are also personally guaranteed by a director.

Terms of repayment of borrowings as at 31 March 2021*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	372	17,209.20	97	17,728.06
one to three years	677	32,932.06	225	25,801.10
three to five years	315	15,165.62	145	16,528.68
more than five years	105	4,334.20	131	11,441.61

Terms of repayment of borrowings as at 31 March 2020*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	227	9,280.74	86	5,127.96
one to three years	386	18,130.98	192	11,247.62
three to five years	185	10,028.09	144	8,263.98
more than five years	39	1,741.30	119	5,160.51

Terms of repayment of borrowings as at 31 March 2019*

Particulars	Number of installments	Monthly repayment	Number of installments	Quarterly repayment
less than one year	166	3,006.35	66	2,999.63
one to three years	268	5,682.05	136	6,223.38
three to five years	162	3,706.77	133	5,775.46
more than five years	94	1,686.90	164	7,596.88

*All the above mentioned repayments disclosed as per the contractual maturities of borrowings (other than debt securities) at gross carrying value.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)
Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Total
01 April 2018	4,988.70	29,565.85	34,554.55
Cash flows:			
-Repayments	(714.28)	(10,428.36)	(11,142.64)
-Proceeds (including interest accrued)	10,786.97	17,177.75	27,964.72
-Payment of lease liability			
Non-cash:			
-Amortisation of upfront fees and others	(31.81)	(23.58)	(55.39)
31 March 2019	15,029.58	36,291.66	51,321.24
Cash flows:			
-Repayments	(1,428.58)	(13,019.74)	(14,448.32)
-Proceeds (including interest accrued)	11,113.55	44,491.58	55,605.13
-Payment of lease liability	-	(385.46)	(385.46)
Non-cash:			
-Amortisation of upfront fees and others	(126.35)	(157.23)	(283.58)
-Recognition of lease liabilities	-	1,651.35	1,651.35
31 March 2020	24,588.20	68,872.16	93,460.36
Cash flows:			
-Repayments	(17,857.15)	(25,184.81)	(43,041.96)
-Proceeds (including interest accrued)	1,308.36	97,620.59	98,928.95
-Payment of lease liability	-	(321.68)	(321.68)
Non-cash:			
-Amortisation of upfront fees and others	182.97	(192.56)	(9.59)
-Recognition of lease liabilities	-	112.95	112.95
31 March 2021	8,222.38	1,40,906.65	1,49,129.03

16. Other financial liabilities	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Employee related payable	854.30	184.96	645.30
Payable towards securitisation transactions	225.05	222.51	192.36
Payable towards assignment transactions	512.21	-	-
Insurance payables	120.71	2.37	-
Advance received from customers	376.54	223.90	407.08
Total	2,088.81	633.74	1,244.74

17. Provisions	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provisions for employee benefits			
- Provision for compensated absences	51.34	219.76	210.87
- Provision for gratuity (Refer note 36)	253.74	161.62	127.32
Impairment loss allowance on Undrawn commitments	54.65	19.75	-
Total	359.73	401.13	338.19

18. Other non-financial liabilities	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Statutory dues payables	199.80	168.47	229.46
Others	297.09	-	-
Total	496.89	168.47	229.46

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

19. Equity share capital	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Authorised capital 81,000,000 (31 March 2020: 81,000,000; 31 March 2019: 81,000,000) equity shares of Rs. 10 each	8,100.00	8,100.00	8,100.00
(b) Issued capital 42,978,405 (31 March 2020: 42,830,155; 31 March 2019: 42,404,487) equity shares of Rs. 10 each	4,297.84	4,283.02	4,240.45
(c) Subscribed and paid up capital 42,978,405 (31 March 2020: 42,830,155; 31 March 2019: 42,404,487) equity shares of Rs. 10 each	4,297.84	4,283.02	4,240.45

(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity shares outstanding at the beginning of the year	4,28,30,155	4,24,04,487	3,59,18,018
Issued during the year (Refer note (e) below)	1,48,250	4,25,668	64,86,469
Equity shares outstanding at the end of the year	4,29,78,405	4,28,30,155	4,24,04,487

(e) (i) Issue of shares through preferential allotment

During the year ended 31 March 2019, the Company had raised fresh equity share capital of Rs.19,500.07 lakhs through preferential allotment of 5,606,854 equity shares of Rs. 10 each at a premium of Rs. 337.79 per share aggregating to Rs. 560.68 lakhs towards share capital and Rs. 18,939.39 lakhs towards securities premium. Share issue expenses aggregating to Rs. 20.70 lakhs have been adjusted against securities premium. These equity shares were offered to following investors on 24 October 2018:

- 3,270,664 equity shares on 24 October 2018 to Aravali Investment Holdings.
- 1,401,714 equity shares on 24 October 2018 to Nexus Opportunity Fund II, Ltd.
- 663,478 equity shares on 24 October 2018 to Sequoia Capital India Growth Investment I
- 270,998 equity shares on 24 October 2018 to Madison India Opportunities IV

(ii) Issue of shares against exercise of ESOPs

A) During the year ended 31 March 2021, the board of directors vide circular resolution dated 10 January 2021 have approved allotment of 148,250 equity shares to 9 option holders, who exercised their options as per the following:

- 138,250 shares of Rs. 10 each at a premium of Rs. 3.27 each (aggregating to Rs. 18.35 lakhs).
- 10,000 shares of Rs. 10 each at a premium of Rs. 4.18 each (aggregating to Rs. 1.42 lakhs).

B) During the year ended 31 March 2020, the board of directors vide circular resolution dated 06 January 2020 have approved allotment of 175,250 equity shares to 14 option holders, who exercised their options as per the following:

- 137,750 shares of Rs. 10 each at a premium of Rs. 3.27 each (aggregating to Rs. 18.28 lakhs).
- 37,500 shares of Rs. 10 each at a premium of Rs. 4.18 each (aggregating to Rs. 5.32 lakhs).

C) During the year ended 31 March 2019, the board of directors vide circular resolution dated 08 January 2019 have approved allotment of 579,615 equity shares to 29 option holders, who exercised their options as per the following:

- 342,915 shares of Rs. 10 each at a premium of Rs. 1.54 each (aggregating to Rs. 39.57 lakhs),
- 229,200 shares of Rs. 10 each at a premium of Rs. 3.27 each (aggregating to Rs. 30.41 lakhs),
- 7,500 shares of Rs. 10 each at a premium of Rs. 4.18 each (aggregating to Rs. 1.06 lakhs).

C) Share application money

During the year ended 31 March 2020, vide circular resolution dated 06 April 2019, the Company has allotted 250,418 shares against share application money of Rs. 53.11 lakhs received from the option holders in the year ended 31 March 2019.

(f) Terms and conditions of the main features of each class of shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each shareholder is entitled to one vote per share. The Company will pay dividend as and when declared. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to shareholding.

(g) Detail of shareholders holding 5 percent or more

Name of shareholders	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Sequoia Capital India Investments III	14,48,776	3.37%	30,17,195	7.04%	30,17,195	7.12%
Nexus Ventures III Limited	99,61,798	23.18%	99,61,798	23.26%	99,61,798	23.49%
Sequoia Capital India Growth Investments I	21,70,560	5.05%	45,20,371	10.55%	45,20,371	10.66%
WestBridge Crossover Fund, LLC	1,08,54,151	25.25%	1,08,54,151	25.34%	1,08,54,151	25.60%
Milestone Trusteeship Services Private Limited	23,79,954	5.54%	23,79,954	5.56%	23,79,954	5.61%
Aravali Investment Holdings	1,05,92,073	24.65%	66,73,843	15.58%	66,73,843	15.74%
Nexus Opportunity Fund II, Ltd.	29,10,037	6.77%	29,10,037	6.79%	29,10,037	6.86%

(h) Shares reserved for issue under options and contracts/commitments for the sale of shares

The Company has reserved 2,463,494 (31 March 2020: 2,611,744; 31 March 2019: 3,037,412) number of shares for creating a pool of employee stock options/right to subscribe to equity shares representing 5.42% (31 March 2020: 5.75%; 31 March 2019: 6.68%) of share capital for the benefit of employees on such terms and conditions as determined by the Investors and Board of Directors. Out of this, Board of Directors in their meeting held on 28 April 2016, has approved to issue 3,55,000 Rights to Subscribe to equity shares to Mr. Anil Mehta.

(i) The Company (except disclosed above) has not allotted any shares for consideration other than cash, bonus shares and shares bought back for the five years immediately preceding the reporting date.

(j) The Board of Directors have not proposed any dividend for the year ended 31 March 2021, 31 March 2020 and 31 March 2019.

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

20. Other equity	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Securities premium	67,824.59	67,819.42	67,784.64
Statutory reserve	4,423.56	2,675.79	1,737.56
Employee share based payment reserve	550.11	389.13	230.57
Retained earnings	16,630.86	9,661.01	5,908.25
Share application money pending allotment	-	-	53.11
Total	89,429.12	80,545.35	75,714.13

Nature and purpose of other reserve

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

This reserve is created as per the provision of Section 29C of the National Housing Bank Act, 1987 (read with Section 36(1)(viii) of the Income-tax Act, 1961). This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by National Housing Bank.

Employee share based payment reserve

This reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information

(All amounts in Rs. lakh, unless otherwise stated)

21. Interest income (on financial assets measured at amortised cost)	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on loans	25,719.71	20,134.02	14,137.85
Interest on investments	28.86	47.24	-
Interest on deposits with banks	1,658.48	908.01	707.94
Income on securitised loans	50.16	124.31	195.02
Total	27,457.21	21,213.58	15,040.81

22. Fees and commission income	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Fee based income	999.26	957.34	417.45
Total	999.26	957.34	417.45

23. Net gain on fair value changes	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Net gain on financial instruments at fair value through profit or loss			
On trading portfolio			
- Investments	291.85	737.14	1,137.76
Total net gain on fair value changes	291.85	737.14	1,137.76
Fair value changes			
- Realised	291.85	701.26	1,012.99
- Unrealised	-	35.88	124.77
Total net gain on fair value changes	291.85	737.14	1,137.76

24. Other income	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain on termination of leases	22.02	-	-
Marketing support income	587.20	75.50	-
Other income	-	7.48	0.06
Total	609.22	82.98	0.06

25. Finance costs (on financial liabilities measured at amortised cost)	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Interest expenses on			
- Borrowings	8,352.47	4,745.06	2,760.21
- Debt securities	1,611.33	2,067.25	1,303.87
- Securitised loans	485.04	585.93	357.33
(b) Other borrowing costs			
- Securitisation expense	7.49	10.22	12.86
- Interest expense on lease liabilities	77.33	126.13	-
- Other interest expense	1.15	0.28	0.32
Total	10,534.81	7,534.87	4,434.59

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

26. Impairment on financial instruments (measured at amortised cost)	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Impairment loss on loans	1,532.68	798.27	255.05
Net loans written off	452.05	375.05	71.29
Total	1,984.73	1,173.32	326.34

27. Employee benefits expenses	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	5,665.43	4,501.50	4,175.70
Contribution to provident and other funds	328.56	339.48	191.51
Share based payments to employees	161.21	159.41	44.26
Staff welfare expenses	13.38	37.22	67.28
Total	6,168.58	5,037.61	4,478.75

28. Depreciation and amortisation	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (Refer note 10)	444.83	530.78	180.31
Amortisation of intangible assets (Refer note 11)	65.01	56.10	29.73
Total	509.84	586.88	210.04

29. Other expenses	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional charges	407.77	590.98	493.51
Advertisement and marketing expenses	77.88	56.32	281.68
Rent and hire charges	67.63	52.43	330.19
Travelling and conveyance	114.27	260.75	330.72
Software licenses	284.82	239.04	321.53
Communication expenses	100.43	114.27	122.89
Rates and taxes expenses	2.92	175.27	243.90
Repairs and maintenance - others	212.97	126.09	235.88
Office expenses	85.32	85.68	136.85
Electricity and water expenses	55.56	83.30	72.97
Printing, stationery and office supplies	23.92	34.49	44.96
Workshop, seminar and conference expenses	5.66	65.84	122.97
Insurance expenses	119.17	155.22	97.95
Directors' sitting fees	31.07	37.50	39.00
Auditor's remuneration (Refer note 29.1 below)	32.00	31.00	40.04
Bank charges	36.67	50.72	46.17
Loss on derecognition of property, plant and equipment	14.65	6.28	2.87
Corporate social responsibility expenses (Refer note 29.2 below)	90.00	66.00	54.00
Impairment on assets held for sale	4.62	31.23	13.12
Miscellaneous expenses	18.85	12.07	2.95
Total	1,786.18	2,274.48	3,034.15

29.1 Auditor's remuneration	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
a) As auditors	31.20	29.50	39.04
b) for re-imburement of expenses	0.80	1.50	1.00

29.2 Expenditure incurred on Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company is required to spend for CSR activities in accordance with its CSR policy. The details of the CSR expenses for the year are as

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	90.00	66.00	54.00
b) Amount spent during the year on:			
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (a) above			
Contribution towards Trust/NGOs	90.00	66.00	54.00
c) Amount unpaid	-	-	-

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

30. Tax expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
In respect of the current year	2,477.20	1,842.95	1,106.06
	2,477.20	1,842.95	1,106.06
Deferred tax charge/(credit)	79.63	(150.21)	(32.74)
	79.63	(150.21)	(32.74)
Total income tax expense recognised (excluding tax recognised in other comprehensive income)	2,556.83	1,692.74	1,073.32

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	11,295.69	6,383.88	4,112.21
Applicable tax rate	25.17%	25.17%	29.12%
Expected tax expense [A]	2,842.90	1,606.69	1,197.48
Effect of expenses that are not deductible in determining taxable profit	13.83	104.67	(14.38)
Deductions under section 80JJAA of the Income-tax Act, 1961	(38.90)	(55.95)	(37.20)
Deductions under Section 36(1)(viii) of the Income-tax Act, 1961	(261.00)	(167.87)	(96.10)
Differential tax rate on fair value gain on investments	-	-	23.52
Adjustment in respect of current income tax of prior years	-	89.10	-
Effect of change in the tax rates	-	116.10	-
Total	2,556.83	1,692.74	1,073.32

With introduction of Taxation Laws (Amendment) Ordinance, 2019 in previous year, where section 115BAA was introduced in the Income-tax Act, 1961 proposing option to compute income tax liability at revised taxation rates, the Company has elected to exercise the option and thereby the applicable tax rates have reduced from 29.12% to 25.17%. The tax expense for the current financial year and previous financial year, has been computed considering the revised tax provisions.

Income tax expense recognised in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Income tax relating to re-measurement loss on defined benefit plans	7.15	0.05	(2.71)
Total	7.15	0.05	(2.71)

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

31. Expenditure in foreign currency

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Software license expense	149.96	108.44	149.29
Travelling expenses	-	-	2.18
Legal and professional expenses	-	3.10	1.94
Total	149.96	111.54	153.41

The Company's unhedged foreign currency exposure as on 31 March 2021 is Nil (31 March 2020: Nil; 31 March 2019: Nil).

For the year ended 31 March 2021, 31 March 2020 and 31 March 2019

Particulars	Unhedged			Hedged through forward or derivative			Natural hedge
	</=1 year	> 1 year	Total	</=1year	> 1 year	Total	</=1 year
Foreign currency (FCY) receivables							
Exports	-	-	-	-	-	-	-
Loans to Joint Venture/Wholly Owned Subsidiary (JV/WOS)	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY payables							
Imports	-	-	-	-	-	-	-
Trade credits	-	-	-	-	-	-	-
External Commercial Borrowings (ECBs)	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

32. Segment reporting

The Company is a housing finance company registered with the National Housing Bank predominantly engaged in a single business segment i.e. providing housing loans and loan against properties in India only, which has similar nature of products and services, type/class of customers and the nature of the regulatory environment, risks and returns and accordingly there are no separately reportable business or geographical segments as per the Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker. Accordingly, the amounts appearing in these financial statements relate to the Company's single business segment.

33. Contingent liabilities and commitments

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
a) In respect of following:			
- Income tax matters	445.50	445.50	0.27
b) Commitments			
- Loan financing	11,022.64	13,295.16	9,766.41
c) Overcollateralisation for securitisation	309.16	309.16	1095.63
d) Capital commitments	2.05	30.25	-

Note:

The Company received income tax notice under section 143(3) of the Income Tax Act, 1961 (the Act) dated 25 December 2019 for tax demand amounting to Rs. 445.23 lakhs on account of unexplained credit under Section 68 of the Act for assessment year 2017-18. In response to such notice, the Company has filed an appeal before Commissioner of Income Tax (Appeals). The Company has deposited Rs. 89.05 lakhs under protest. The legal proceeding when ultimately concluded will not, in the opinion of the management, have a material effect on the financial position of the Company. Above amount does not include the contingencies, the likelihood of which is remote.

34. Disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;			
- Principal due	12.12	2.58	Nil
- Interest due	Nil	Nil	Nil
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil

35. Assets held for sale

The Company has obtained possession of certain properties mortgaged by customers, under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (The SARFAESI Act, 2002), which shall be sold to realise the loan and other amounts receivable by the Company. The Company is in the process of selling these properties and has classified these as assets held for sale.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

36. Employee benefit plans

A) Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Employer's contribution to provident and other funds	328.56	339.48	191.51
	328.56	339.48	191.51

B) Defined benefit plans

Gratuity

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2021 by Mr. Ashok Kumar Garg (FIAI M.No. 00057), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions	31 March 2021	31 March 2020	31 March 2019
Discount rate(s)	7.00%	6.75%	7.50%
Expected rate(s) of salary increase	10.00%	7.00%	10.00%
Retirement age	58	58	58
Withdrawal rate	8.00%	8.00%	8.00%
In service mortality	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost:			
Current service cost	89.74	55.40	37.73
Interest cost	11.31	8.59	7.22
Components of defined benefit costs recognised in profit or loss	101.05	63.99	44.95
Remeasurement on the net defined benefit liability:			
Actuarial losses/(gains) arising from changes in financial assumptions	35.68	(20.10)	0.27
Actuarial (gains)/losses arising from experience adjustments	(7.29)	20.30	(9.56)
Components of defined benefit costs recognised in other comprehensive income	28.39	0.20	(9.29)

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Present value of funded defined benefit obligation	253.74	161.62	127.32
Fair value of plan assets	-	-	-
Net liability arising from defined benefit obligation	253.74	161.62	127.32

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Year ended	Year ended	Year ended
	31 March 2021	31 March 2020	31 March 2019
Opening defined benefit obligation	161.62	127.32	96.25
Current service cost	89.74	55.40	37.73
Interest cost	11.31	8.59	7.21
Remeasurement (gains)/losses:			
Actuarial losses/(gains) arising from changes in financial	35.68	(20.10)	0.27
Actuarial (gains)/losses arising from experience	(7.29)	20.30	(9.56)
Benefits paid	(37.32)	(29.89)	(4.58)
Closing defined benefit obligation	253.74	161.62	127.32

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, mortality, etc. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 24.82 lakhs (increase by Rs. 29.76 lakhs) [31 March 2020: 12.54 lakhs (increase by Rs. 14.70 lakhs); 31 March 2019: 10.52 lakhs (increase by Rs. 12.44 lakhs)].
- If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 28.58 lakhs (decrease by Rs. 24.40 lakhs) [31 March 2020: increase by Rs. 14.51 lakhs (decrease by Rs. 12.62 lakhs); 31 March 2019: increase by Rs. 12.01 lakhs (decrease by Rs. 10.39 lakhs)].

Sensitivities due to change in mortality rate and change in withdrawal rate are not expected to be material and hence impact of such change is not calculated.

The sensitivity analysis presented above may not be representative of the actual change in the defined 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 defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligations

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Average duration of the defined benefit obligation (in years)			
Less than 1 year	24.32	24.78	22.82
Between 1-2 years	1.21	1.98	10.68
Between 2-5 years	6.26	7.77	14.42
Over 5 years	221.95	127.08	79.41

-The expected contributions to the plan for the next year is INR 152.33 lakh.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

37. Maturity analysis of assets and liabilities

Assets	31 March 2021			31 March 2020			31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	23,309.46	-	23,309.46	1,733.99	-	1,733.99	6,377.79	-	6,377.79
Bank balance other than cash and cash equivalents	16,062.94	1,995.37	18,058.31	14,990.43	1,523.37	16,513.80	1,314.28	318.31	1,632.59
Loans*	9,870.88	1,88,246.08	1,98,116.96	7,321.75	1,40,193.44	1,47,515.19	5,205.08	1,08,857.48	1,14,062.56
Investments	-	-	-	9,385.88	-	9,385.88	7,976.89	-	7,976.89
Other financial assets	1,192.74	1,615.81	2,808.55	209.50	-	209.50	318.05	-	318.05
Non-financial assets									
Current tax assets (net)	-	3.55	3.55	-	344.55	344.55	-	422.93	422.93
Deferred tax assets (net)	-	933.65	933.65	-	1,006.14	1,006.14	-	855.90	855.90
Property, plant and equipment	-	1,403.13	1,403.13	-	1,621.19	1,621.19	-	555.14	555.14
Other intangible assets	-	107.74	107.74	-	163.53	163.53	-	107.75	107.75
Other non-financial assets	427.21	747.76	1,174.97	831.74	321.44	1,153.18	785.54	280.15	1,065.69
Assets held for sale	347.85	-	347.85	252.18	-	252.18	100.14	-	100.14
Total assets	51,211.08	1,95,053.09	2,46,264.17	34,725.47	1,45,173.66	1,79,899.13	22,077.77	1,11,397.66	1,33,475.43
Liabilities									
Financial liabilities									
Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	12.12	-	12.12	2.58	-	2.58	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	450.63	-	450.63	404.48	-	404.48	387.22	-	387.22
Debt securities	111.08	8,111.30	8,222.38	2,798.66	21,789.54	24,588.20	1,420.59	13,608.99	15,029.58
Borrowings (Other than debt securities)	34,703.38	1,06,203.27	1,40,906.65	14,512.76	54,359.40	68,872.16	6,261.43	30,030.23	36,291.66
Other financial liabilities	2,088.81	-	2,088.81	633.74	-	633.74	1,244.74	-	1,244.74
Non-financial liabilities									
Provisions	84.89	274.84	359.73	60.33	340.80	401.13	52.10	286.09	338.19
Other non-financial liabilities	496.89	-	496.89	168.47	-	168.47	229.46	-	229.46
Total liabilities	37,947.80	1,14,589.41	1,52,537.21	18,581.02	76,489.74	95,070.76	9,595.54	43,925.31	53,520.85
Net	13,263.28	80,463.68	93,726.96	16,144.45	68,683.92	84,828.37	12,482.23	67,472.35	79,954.58

* For the previous year ended 31 March 2020, 31 March 2019 the above disclosures were made based on the contractual terms as at the year-end, however, subsequent to the year-end, the Company had granted a moratorium to eligible customers as disclosed in Note no. 46.

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

38. Financial instruments

38.1 Capital management

Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the National Housing Bank (NHB) and Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB and RBI.

Capital management

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements, if any and maintains strong credit ratings and healthy capital ratios
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

Gearing ratio

The gearing ratio at the end of reporting period was as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Debt			
Borrowings(other than debt securities)	1,40,906.65	68,872.16	36,291.66
Debt securities	8,222.38	24,588.20	15,029.58
Cash and cash equivalents	(23,309.46)	(1,733.99)	(6,377.79)
Net debt	1,25,819.57	91,726.37	44,943.45
Total equity	93,726.96	84,828.37	79,954.58
Net debt to equity ratio	1.34	1.08	0.56

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends, return on capital to shareholders, issue new shares, or sell assets to reduce debt.

38.2 Categories of financial instruments

The carrying value of financial assets and financial liabilities are as follows:

As at 31 March 2021

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	23,309.46	23,309.46
Bank balance other than cash and cash equivalents	-	-	18,058.31	18,058.31
Loans	-	-	1,98,116.96	1,98,116.96
Other financial assets	-	-	2,808.55	2,808.55
Total financial assets	-	-	2,42,293.28	2,42,293.28
Financial liabilities				
Trade payables	-	-	462.75	462.75
Debt securities	-	-	8,222.38	8,222.38
Borrowings (Other than debt securities)	-	-	1,40,906.65	1,40,906.65
Other financial liabilities	-	-	2,088.81	2,088.81
Total financial liabilities	-	-	1,51,680.59	1,51,680.59

As at 31 March 2020

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	1,733.99	1,733.99
Bank balance other than cash and cash equivalents	-	-	16,513.80	16,513.80
Loans	-	-	1,47,515.19	1,47,515.19
Investments	9,385.88	-	-	9,385.88
Other financial assets	-	-	209.50	209.50
Total financial assets	9,385.88	-	1,65,972.48	1,75,358.36
Financial liabilities				
Trade payables	-	-	407.06	407.06
Debt securities	-	-	24,588.20	24,588.20
Borrowings (Other than debt securities)	-	-	68,872.16	68,872.16
Other financial liabilities	-	-	633.74	633.74
Total financial liabilities	-	-	94,501.16	94,501.16

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

As at 31 March 2019

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	6,377.79	6,377.79
Bank balance other than cash and cash equivalents	-	-	1,632.59	1,632.59
Loans	-	-	1,14,062.56	1,14,062.56
Investments	7,976.89	-	-	7,976.89
Other financial assets	-	-	318.05	318.05
Total financial assets	7,976.89	-	1,22,390.99	1,30,367.88
Financial liabilities				
Trade payables	-	-	387.22	387.22
Debt securities	-	-	15,029.58	15,029.58
Borrowings (Other than debt securities)	-	-	36,291.66	36,291.66
Other financial liabilities	-	-	1,244.74	1,244.74
Total financial liabilities	-	-	52,953.20	52,953.20

38.3 Fair value measurement of assets and liabilities

- Fair value hierarchy

Assets and liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted prices (unadjusted) for identical instruments in an active markets;
- Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data (unobservable inputs).

The following table shows the levels within the hierarchy of assets measured at fair value on a recurring basis:

As at 31 March 2021

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	347.85	-	347.85

As at 31 March 2020

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
Financial assets carried at fair value through profit or loss				
Investments in mutual fund	9,385.88	-	-	9,385.88
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	252.18	-	252.18

As at 31 March 2019

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value on a recurring basis				
Financial assets carried at fair value through profit or loss				
Investments in mutual fund	5,505.66	-	-	5,505.66
Investment in commercial papers	-	2,471.23	-	2,471.23
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	100.14	-	100.14

Valuation methodologies of financial instruments measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are recorded and measured at fair value in the Company's financial statements:

- Mutual funds** - Units held in Mutual funds are valued based on their published Net asset value (NAV) and such instruments are classified under Level 1.
- Commercial paper** - Commercial paper have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.
- Asset held for sale** - Assets held for sale valuation are basis independent valuations by a specialist in valuing these type of assets. The best estimate of fair value is current prices in an active market for similar assets.

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

38.4 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

As at 31 March 2021

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	23,309.46	-	-	23,309.46	23,309.46
Bank balance other than cash and cash equivalents	18,058.31	-	-	18,058.31	18,058.31
Loans	1,98,116.96	-	-	1,98,116.96	1,98,116.96
Other financial assets	2,808.55	-	-	2,808.55	2,808.55
	2,42,293.28	-	-	2,42,293.28	2,42,293.28
Financial liabilities					
Trade payables	462.75	-	-	462.75	462.75
Debt securities	8,222.38	-	-	8,222.38	8,222.38
Borrowings (Other than debt securities)	1,40,906.65	-	-	1,40,906.65	1,40,906.65
Other financial liabilities	2,088.81	-	-	2,088.81	2,088.81
	1,51,680.59	-	-	1,51,680.59	1,51,680.59

As at 31 March 2020

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	1,733.99	-	-	1,733.99	1,733.99
Bank balance other than cash and cash equivalents	16,513.80	-	-	16,513.80	16,513.80
Loans	1,47,515.19	-	-	1,47,515.19	1,47,515.19
Other financial assets	209.50	-	-	209.50	209.50
	1,65,972.48	-	-	1,65,972.48	1,65,972.48
Financial liabilities					
Trade payables	407.06	-	-	407.06	407.06
Debt securities	24,588.20	-	-	24,588.20	24,588.20
Borrowings (Other than debt securities)	68,872.16	-	-	68,872.16	68,872.16
Other financial liabilities	633.74	-	-	633.74	633.74
	94,501.16	-	-	94,501.16	94,501.16

As at 31 March 2019

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	6,377.79	-	-	6,377.79	6,377.79
Bank balance other than cash and cash equivalents	1,632.59	-	-	1,632.59	1,632.59
Loans	1,14,062.56	-	-	1,14,062.56	1,14,062.56
Other financial assets	318.05	-	-	318.05	318.05
	1,22,390.99	-	-	1,22,390.99	1,22,390.99
Financial liabilities					
Trade payables	387.22	-	-	387.22	387.22
Debt securities	15,029.58	-	-	15,029.58	15,029.58
Borrowings (Other than debt securities)	36,291.66	-	-	36,291.66	36,291.66
Other financial liabilities	1,244.74	-	-	1,244.74	1,244.74
	52,953.20	-	-	52,953.20	52,953.20

The management is of view that the fair value of bank balances and cash and cash equivalents, other bank balances, loans, other financial assets, trade payables, borrowings including debt securities and other financial liabilities that are being carried at amortised cost, approximates to their respective there net carrying value.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

38.5. Financial risk management

Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loan receivables, cash and bank balances, investments, financial assets measured at amortised cost	Expected loss analysis	Credit risk analysis, diversification of customers/asset base, high rated bank deposits, credit limits and collateral.
Liquidity risk	Business commitments and other liabilities	Rolling cash flow forecasts	Maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

The Board has the overall responsibility of risk management - there are two committees of the Board which takes care of managing overall risk in the organisation. In accordance with the RBI and NHB guidelines to enable Housing Finance Companies to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO).

a) Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by various product policies. The product policies outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits. The Company measures, monitors and manages credit risk at an individual borrower level. The credit risk for individual borrowers is being managed at portfolio level for both Housing Loans and Non-housing Loans. The Company has a structured and standardised credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

Credit risk arises from loan financing, cash and cash equivalents, investments and deposits with banks and financial institutions, as shown below:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Loans	1,98,116.96	1,47,515.19	1,14,062.56
Cash and cash equivalents	23,309.46	1,733.99	6,377.79
Bank balance other than cash and cash equivalents	18,058.31	16,513.80	1,632.59
Investments	-	9,385.88	7,976.89
Other financial assets	2,808.55	209.50	318.05

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system and external ratings.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Loans

The customers are primarily low and middle -income, salaried and self-employed individuals. The credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income and obligations, the loan-to-value ratio and demographic parameters subject to regulatory guidelines. Any deviations need to be approved at the designated levels.

The various process controls such as PAN Number Check, CERSAI database scrubbing, Credit Bureau Report analysis are undertaken prior to approval of a loan. Individual loans are secured by the mortgage of the borrowers property.

Investments

Investments are generally made in mutual funds. Credit risk related to these investments is managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

The tables below analyse the financial assets and liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows except EIS receivables on direct assignment included in other financial assets. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial assets

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	23,309.46	-	-	-	23,309.46
Bank balance other than cash and cash equivalents	16,062.94	1,868.43	101.64	25.30	18,058.31
Loans	9,870.88	23,528.34	29,174.48	1,40,784.73	2,03,358.43
Other financial assets	1,192.74	1,120.57	495.24	-	2,808.55
Total	50,436.02	26,517.34	29,771.36	1,40,810.03	2,47,534.75

31 March 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	1,733.99	-	-	-	1,733.99
Bank balance other than cash and cash equivalents	14,990.43	1,216.18	282.19	25.00	16,513.80
Loans*	7,501.60	18,080.77	22,828.50	1,02,707.74	1,51,118.61
Investments	9,385.88	-	-	-	9,385.88
Other financial assets	209.50	-	-	-	209.50
Total	33,821.40	19,296.95	23,110.69	1,02,732.74	1,78,961.78

31 March 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Cash and cash equivalents	6,377.79	-	-	-	6,377.79
Bank balance other than cash and cash equivalents	1,314.28	61.12	232.19	25.00	1,632.59
Loans*	5,278.27	12,641.13	16,264.52	81,482.55	1,15,666.47
Investments	7,976.89	-	-	-	7,976.89
Other financial assets	318.05	-	-	-	318.05
Total	21,265.28	12,702.25	16,496.71	81,507.55	1,31,971.79

* The disclosures made are based on the contractual terms as at the year-end, however, subsequent to the year-end, the Company has granted a moratorium to eligible customers as disclosed in Note no. 46.

Maturities of financial liabilities

The tables below analyse the financial liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	35,175.87	58,733.16	31,694.30	15,775.81	1,41,379.14
Debt securities	123.42	1,500.00	6,611.30	-	8,234.72
Trade payables	462.75	-	-	-	462.75
Other financial liabilities	2,088.81	-	-	-	2,088.81
Total	37,850.85	60,233.16	38,305.60	15,775.81	1,52,165.42

31 March 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	14,408.70	29,378.60	18,292.07	6,901.81	68,981.18
Debt securities	2,828.57	4,228.57	2,800.00	13,000.00	22,857.14
Trade payables	407.06	-	-	-	407.06
Other financial liabilities	633.74	-	-	-	633.74
Total	18,278.07	33,607.17	21,092.07	19,901.81	92,879.12

31 March 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (Other than debt securities)	6,005.98	11,905.43	9,482.24	9,283.78	36,677.43
Debt securities	1,428.57	2,857.14	-	10,000.00	14,285.71
Trade payables	387.22	-	-	-	387.22
Other financial liabilities	1,244.74	-	-	-	1,244.74
Total	9,066.51	14,762.57	9,482.24	19,283.78	52,595.10

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India Shelter Finance Corporation Limited
 Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

Concentration based liquidity risk

Funding concentration based on significant counterparty*# (borrowings)

Number of significant counterparties	As at 31 March 2021	
	Amount	% of total liabilities
20	1,40,419.16	92.06%

Number of significant counterparties	As at 31 March 2020	
	Amount	% of total liabilities
16	84,359.76	88.73%

Number of significant counterparties	As at 31 March 2019	
	Amount	% of total liabilities
9	47,641.86	89.02%

*A significant counterparty is a single counterparty that has an amount outstanding for more than 1% of the total liabilities as on the reporting date.

Funding concentration based on significant instrument/product*#

Name of the instrument	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Amount	% of total liabilities	Amount	% of total liabilities	Amount	% of total liabilities
Term loans from banks and	83,574.58	54.79%	48,096.57	50.18%	18,469.44	34.51%
Term loans from National Housing	52,866.79	34.66%	14,260.93	15.31%	14,792.61	27.64%
Non-convertible debentures	6,500.00	4.26%	22,857.14	25.87%	15,029.58	28.08%
Securitisation	3,641.88	2.39%	5,357.76	5.64%	3,029.61	5.66%
	1,46,583.25		90,572.40		51,321.24	

*A significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.

Top 10 borrowings#

Loan/NCD	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	% of total borrowings	Loan/NCD	% of total borrowings	Loan/NCD	% of total borrowings	
54,672.64	37.30%	22,857.14	25.24%	15,371.52	30.16%	
5,000.00	3.41%	15,044.42	16.61%	14,285.71	28.03%	
6,845.83	4.67%	5,982.47	6.61%	4,847.88	9.51%	
4,808.36	3.28%	5,015.73	5.54%	3,946.97	7.74%	
13,657.24	9.32%	5,000.00	5.52%	3,887.46	7.63%	
4,190.78	2.86%	4,750.81	5.25%	2,201.93	4.32%	
7,340.80	5.01%	4,586.63	5.06%	1,594.69	3.13%	
7,136.90	4.87%	4,333.36	4.78%	781.75	1.53%	
4,928.55	3.36%	3,277.09	3.62%	724.14	1.42%	
4,625.00	3.16%	2,785.71	3.08%	291.67	0.57%	

#All the above mentioned outstanding borrowings are disclosed at gross carrying value.

Stock Ratios:

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Commercial papers issued to total liabilities	Nil	Nil	Nil
Commercial papers issued to total assets	Nil	Nil	Nil
NCD (original maturity < one year) to total liabilities	Nil	Nil	Nil
NCD (original maturity < one year) to total assets	Nil	Nil	Nil
Other short-term liabilities to total liabilities	2.00%	1.27%	3.48%
Other short-term liabilities to total assets	1.24%	0.67%	1.39%

c) Market risk

Interest rate risk

Liabilities

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. As at 31 March 2021, the Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Variable rate borrowing	1,03,837.45	46,246.66	26,502.62
Fixed rate borrowing	39,103.92	38,967.98	21,428.81
Total borrowings	1,42,941.37	85,214.64	47,931.43

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates:

Particulars	Impact on profit before tax		
	Year ended	Year ended	Year ended
	31 March 2021	31 March 2020	31 March 2019
Interest rate - Increase by 100 basis points*	697.28	425.30	392.91
Interest rate - Decrease by 100 basis points*	(697.28)	(425.30)	(392.91)

* Holding all other variables constant

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

39. Related party transactions

List of related parties:

- i. Key management personnel**
- a. Anil Mehta - Chief Executive Officer and Managing Director
 - b. Ashish Gupta - Chief Financial Officer (w.e.f 13 August 2019)
 - c. Mukti Chaplot - Company Secretary
 - d. GV Ravishankar - Nominee Director
 - e. Anup Gupta - Nominee Director
 - f. Sumir Chadha - Nominee Director
 - g. Sanjaya Gupta - Independent Director (till 15 March 2020)
 - h. Anisha Motwani - Independent Director (till 17 February 2021)
 - i. Shailesh J Mehta - Independent Director
 - j. Rachna Dikshit - Additional Independent Director (w.e.f 12 February 2021)
 - k. Sunil Jain- Chief Financial Officer (till 12 August 2019)

- ii. Entities having significance influence**
- a. Sequoia Capital India Investments III, Mauritius (Holder of Equity Shares)
 - b. Nexus Ventures III Ltd, Mauritius (Holder of Equity Shares)
 - c. WestBridge Crossover Fund, LLC (Holder of Equity Shares)
 - d. Sequoia Capital India Growth Investment I (Holder of Equity Shares)
 - e. Nexus Opportunity Fund II, Ltd. (Holder of Equity Shares)
 - f. Aravali Investment Holdings (Holder of Equity Shares)

- iii. Relative of key management personnel - (where there are transactions)**
- Gaj Singh Mehta - Father of Anil Mehta
 - Ankit Aggarwal - Husband of Mukti Chaplot (w.e.f. 04 February 2020)

Transactions with related parties

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent paid			
Gaj Singh Mehta	3.56	3.56	3.39

Transaction with key management personnel

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Remuneration			
Anil Mehta*	433.16	307.00	248.23
Ashish Gupta	99.42	35.60	-
Sunil Jain	-	69.79	75.82
Mukti Chaplot*	29.37	16.77	12.05
Sitting fees			
Anisha Motwani	13.50	17.25	15.75
Sanjaya Gupta	-	9.75	13.50
Shailesh J Mehta	14.25	10.50	9.75
Rachna Dikshit	0.75	-	-
Share based payments			
Anil Mehta	-	-	801.95

* This does not include perquisite value on exercise of ESOP's and ESOP's granted during the year.

Amount payable to key management personnel

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Short-term benefits			
Anil Mehta	178.93	-	123.00
Sunil Jain	-	-	45.68
Ashish Gupta	37.21	-	-
Mukti Chaplot	4.63	1.40	2.07

Note 1: As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors and KMPs is not ascertainable and, therefore, not included above.

Note 2: (i) During the year ended 31 March 2021, the Board of Directors vide circular resolution dated 10 January 2021 allotted 1,20,000 equity shares (31 March 2020: 97,500 equity shares) to Mr. Anil Mehta and 2,500 equity shares (31 March 2020: Nil) to Mrs. Mukti Chaplot pursuant to exercise of Employee Share Option Plan (ESOP) as per the ESOP schemes. Further, 10,000 ESOP were granted to Mrs. Mukti Chaplot in the same year.

(ii) During the year ended 31 March 2020, the Board of Directors vide circular resolution dated 06 January 2020 allotted 97,500 equity shares (31 March 2019: 2,82,500 equity shares) to Mr. Anil Mehta pursuant to exercise of Employee Share Option Plan (ESOP) as per the ESOP schemes. Further, during the previous year the Board of Directors vide circular resolution dated 01 February 2019 allotted 3,00,000 sweat equity shares to Mr. Anil Mehta.

Note 3: Term loans amounting to Rs. 4,306 lakhs (31 March 2020: Rs. 6,631 lakhs; 31 March 2019: Rs. 8,516 lakhs) from banks and Rs. 2,500 lakhs (31 March 2020: Rs. 3,453 lakhs; 31 March 2019: Rs. 4,463 lakhs) from National Housing Bank are personally guaranteed by Mr. Anil Mehta.

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

Key management personnel

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Proceeds from issue of equity shares			
Anil Mehta	12.00	9.75	58.25
Mukti Chaplot	0.25	-	-

Persons having significant influence

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Proceeds from securities premium			
Nexus Ventures III Limited	-	-	-
Nexus Opportunity Fund II, Ltd.	-	-	4,734.85
Sequoia Capital India Growth Investments I	-	-	2,241.16
WestBridge Crossover Fund, LLC	-	-	-
Aravali Investment Holdings	-	-	11,047.98

Key management personnel

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Proceeds towards securities premium pursuant to exercise of ESOP's			
Anil Mehta	3.92	3.19	66.04
Mukti Chaplot	0.10	-	-

Balances outstanding as at the year end

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Share capital			
WestBridge Crossover Fund, LLC	1,085.42	1,085.42	1,085.42
Aravali Investment Holdings	1,059.21	667.38	667.38
Nexus Opportunity Fund II, Ltd.	291.00	291.00	291.00
Nexus Ventures III Ltd	996.18	996.18	996.18
Sequoia Capital India Investments III	144.88	301.72	301.72
Sequoia Capital India Growth Investments I	217.06	452.04	452.04
Anil Mehta	109.54	97.54	87.79
Ankit Aggarwal*	0.75	0.75	-
Mukti Chaplot	0.25	-	-

*Holds equity shares allotted before 4 February 2020 on exercise on employee stock options.

40. Earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Profits for the year	8,738.86	4,691.14	3,038.89
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	4,28,62,737	4,26,92,286	3,85,30,137
Effect of potential ordinary shares on Employee Stock Options and right to subscribe outstanding	11,32,392	7,30,638	10,15,291
Total weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	4,39,95,129	4,34,22,924	3,95,45,428
Earnings per share on profit for the year (Face value of Rs. 10 per share)			
a) Basic earnings per share (Rs.)	20.39	10.99	7.89
b) Diluted earnings per share (Rs.)	19.86	10.80	7.68

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

41. Lease related disclosures

The Company has leases for office building, branches and related facilities and cars. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2021	31 March 2020
Short-term leases	67.63	52.43
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2021 was Rs. 321.68 lakhs (31 March 2020: 385.46 lakhs).

C The Company has total commitment for short-term leases as at 31 March 2021 Rs. Nil (31 March 2020: 7.50 lakhs).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2021	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Lease payments	384.41	355.68	204.84	113.36	93.83	58.96	1,211.08
Interest expense	68.25	39.25	22.29	11.45	6.61	6.04	153.89
Net present values	316.16	316.43	182.55	101.91	87.22	52.92	1,057.19

31 March 2020	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Lease payments	381.09	356.12	299.60	177.95	114.13	267.03	1,595.92
Interest expense	97.73	81.47	56.22	36.72	26.81	31.05	330.00
Net present values	283.36	274.65	243.38	141.23	87.32	235.98	1,265.92

E There are no variable lease agreements.

F Information about extension and termination options

As at 31 March 2021

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	122	1 to 8 years	2.60 years	122	-	122
Car lease	5	3-4 years	2.5 years	-	-	-

As at 31 March 2020

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	109	1 to 8 years	2.5 years	109	-	109
Car lease	6	3-4 years	3.5 years	-	-	-

G The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is of Rs. Nil(31 March 2020: Nil).

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakhs, unless otherwise stated)

42. Employee Stock Option Scheme

42.1. Employee Stock Option Scheme 2011 (ESOP 2011):

- a. The Company established the Employees Stock Option Scheme 2011 ("ESOP 2011") which was approved by the Board of Directors in their meeting held on 01 April 2011. Under the plan, the Company is authorised to issue up to 801,000 equity shares of Rs. 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting. In the extraordinary general meeting held on 28 April 2011, the shareholders approved the issue and option.

The HR and nomination and remuneration committee consisting of independent members from the Board of Directors administer the plan.

- b. The salient terms of the scheme are set out hereunder:

Particulars	ESOP 2011
Date of grant	28 April 2011
Exercise price	Rs. 11.54 per option
Vesting dates:	
Tranche I (33% of the options granted)	31 July 2011
Tranche II (33% of the options granted)	31 July 2012
Tranche III (34% of the options granted)	31 July 2013

Vesting condition:

Vesting of options would be subject to continued employment with the Company and certain covenants, on the fulfilment of which the granted options would vest in terms of agreement with employees. Thus the vesting of the options would be time and compliance of covenants to the ESOP 2011 agreement with employees.

Exercise period

Exercise period will expire on 31 October 2018 or listing of shares on a recognised stock exchange, whichever is later. In the event of the Company's shares not listed by 31 July 2018 then the option grantee shall have the ability to exercise any vested options regardless of the fact that the shares of the Company have not been listed provided that such right to exercise shall at all time will cease to exist after 31 October 2018. The ESOP scheme has been amended by Board of Directors and shareholders of the Company to increase the exercise period upto 31 March 2019.

Total options granted 8,01,000

- c. Employee stock option details as on the balance sheet date are as follows:

Particulars	As at		As at		As at	
	31 March 2021	Amount	31 March 2020	Amount	31 March 2019	Amount
	Number of options		Number of options		Number of options	
Outstanding at the beginning of the year	-	-	-	-	5,38,586.00	62.15
Granted during the year	-	-	-	-	-	-
Relinquished during the year	-	-	-	-	39,003.00	4.50
Exercised during the year	-	-	-	-	4,99,583.00	57.65
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-

- d. The fair value of the options, calculated by an external value, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	ESOP 2011		
	Vest – 1	Vest – 2	Vest – 3
Stock price (Rs.)	11.54	11.54	11.54
Expected volatility (standard deviation - annual)	39.05%	39.05%	39.05%
Risk free rate	6.72%	7.16%	7.49%
Exercise price (Rs.)	11.54	11.54	11.54
Dividend yield	0.00%	0.00%	0.00%
Vesting	33%	33%	34%
Option fair value (Rs.)	4.13	4.86	5.51
Life of the options granted (vesting and exercise period) in years	3.26	4.26	5.26

- e. Details of weighted average exercise price, fair value of the stock options granted and weighted average remaining contractual life are as follows:

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Total options granted (in Nos)	8,01,000	8,01,000	8,01,000
Total options outstanding at the end of the year	-	-	-
Weighted average share price for options granted during the year (in Rs.)	-	-	-
Average exercise price (Rs.)	-	-	-
Weighted average remaining contractual life (years)	-	-	-

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42. Employee Stock Option Scheme

42.1. Employee Stock Option Plan – 2012 (“The 2012 Plan”):

- a. The Company established the Employees Stock Option Scheme 2012 (“ESOP 2012”) which was approved by the Board of Directors in their meeting held on 17 August 2012. Under the plan, the Company is authorised to issue up to 15,04,300 equity shares of Rs. 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting.
 The HR and remuneration committee consisting of independent members from the Board of Directors administer the plan.

- b. The salient terms of the scheme are set out hereunder:

Particulars	ESOP 2012					
	Date of grant	01 October 2012	01 October 2013	15 March 2014	22 January 2015	08 June 2016
Exercise price		Rs. 13.27 per option	Rs. 14.18 per option	Rs. 16.84 per option	Rs. 20.32 per option	Rs. 83.20 per option
Vesting dates:						
Tranche I*		01 October 2013	01 October 2014	01 October 2014	21 January 2016	09 June 2017
Tranche II*		01 October 2014	01 October 2015	01 October 2015	21 January 2017	09 June 2018
Tranche III*		01 October 2015	01 October 2016	01 October 2016	21 January 2018	09 June 2019
Tranche IV*		01 October 2016	01 October 2017	01 October 2017	21 January 2019	09 June 2020

* Grant on 01 October 2012, 01 October 2013, 15 March 2014 and 22 January 2015 to be vested equally in each tranche. However, option granted on 08 June 2016 to be vested in the ratio of (3:5:5:7)

Vesting condition:

Vesting of options would be subject to continued employment with the Company and certain covenants, on the fulfilment of which the granted options would vest in terms of agreement with employees. Thus the vesting of the options would be time and compliance of covenants to the ESOP 2012 agreement with employees.

Exercise period

Exercise period would expire at the end of 5 years and 3 months period from the date of vesting or listing of shares on a recognised stock exchange, whichever is later. It is clarified that in the event the shares of the Company are not listed by the end of 5 (five) years from the date of vesting of the relevant options then the option grantee shall have the ability to exercise any vested option regardless of the fact that the shares of the Company have not been listed provided however such right to exercise shall at all times cease to exist at the end of the exercise period mentioned in the preceding sentence.

Total options granted

23,45,500

- c. Employee stock option details as on the balance sheet date are as follows:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of options	Amount	Number of options	Amount	Number of options	Amount
Outstanding at the beginning of the year	9,62,500	531.80	11,45,200	556.39	15,37,650	662.59
Granted during the year	-	-	-	-	-	-
Forfeited during the year	4,500	0.61	7,450	0.99	62,000	39.70
Exercised during the year	1,48,250	19.76	1,75,250	23.60	3,30,450	66.50
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	8,09,750	511.43	9,62,500	531.80	11,45,200	556.39
Exercisable at the end of the year	8,09,750	511.43	7,65,625	368.01	8,07,700	277.45

- d. The fair value of the options, calculated by an external value, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

1. Grant date- 01 October 2012

Particulars	ESOP 2012			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	13.27	13.27	13.27	13.27
Expected volatility (standard deviation - annual)	39.37%	39.37%	39.37%	39.37%
Risk free rate	7.90%	7.94%	7.98%	8.02%
Exercise price-Rs.	13.27	13.27	13.27	13.27
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	25%	25%	25%	25%
Option fair value- Rs.	6.18	6.73	7.23	7.68
Life of the options granted (vesting and exercise period) in years	5.5	6.5	7.5	8.5

2. Grant date- 01 October 2013

Particulars	ESOP 2012			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	14.18	14.18	14.18	14.18
Expected volatility (standard deviation - annual)	43.73%	43.73%	43.73%	43.73%
Risk free rate	8.94%	9.02%	9.08%	9.13%
Exercise price-Rs.	14.18	14.18	14.18	14.18
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	25%	25%	25%	25%
Option fair value- Rs.	7.14	7.88	0.49	0.49
Life of the options granted (vesting and exercise period) in years	4.76	5.76	6.76	7.76

3. Grant date- 15 March 2014

Particulars	ESOP 2012			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	16.84	16.84	16.84	16.84
Expected volatility (standard deviation - annual)	43.73%	43.73%	43.73%	43.73%
Risk free rate	8.94%	9.02%	9.08%	9.13%
Exercise price-Rs.	16.84	16.84	16.84	16.84
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	25%	25%	25%	25%
Option fair value- Rs.	8.48	9.36	10.45	10.82
Life of the options granted (vesting and exercise period) in years	4.76	5.76	6.76	7.76

India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

4. Grant date- 22 January 2015

Particulars	ESOP 2012			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	20.32	20.32	20.32	20.32
Expected volatility (standard deviation - annual)	50.24%	50.24%	50.24%	50.24%
Risk free rate	7.78%	7.78%	7.77%	7.77%
Exercise price-Rs.	20.32	20.32	20.32	20.32
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	25%	25%	25%	25%
Option fair value- Rs.	11.95	12.79	13.53	14.19
Life of the options granted (vesting and exercise period) in years	6.06	7.07	8.07	9.07

5. Grant date- 09 June 2016

Particulars	ESOP 2012			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	83.2	83.2	83.2	83.2
Expected volatility (standard deviation - annual)	43.55%	43.55%	43.55%	43.55%
Risk free rate	7.82%	7.78%	7.97%	7.74%
Exercise price-Rs.	83.2	83.2	83.2	83.2
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	25%	25%	35%
Option fair value- Rs.	46.31	49.65	53.00	55.33
Life of the options granted (vesting and exercise period) in years	6.26	7.26	8.26	9.26

e. Details of weighted average exercise price, fair value of the stock options granted and weighted average remaining contractual life are as follows:

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Total options granted (in nos)	23,45,500	23,45,500	23,45,500
Total options outstanding at the end of the year	8,09,750	9,62,500	11,45,200
Weighted average share price for options granted during the year (in Rs.)	-	-	-
Average exercise price (Rs.)	29.56	29.56	29.56
Weighted average remaining contractual life (years)	2.69	3.39	2.69

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42.2. Employee Stock Option Scheme 2017 (ESOP 2017):

- a. The Company established the Employees Stock Option Scheme 2017 ("ESOP 2017") which was approved by the Board of Directors in their meeting held on 10 November 2017. Under the plan, the Company is authorised to issue up to 12,94,246 equity shares of Rs. 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting.
 The HR and nomination and remuneration committee consisting of independent members from the Board of Directors administer the plan.

- b. The salient terms of the scheme are set out hereunder:

Particulars	ESOP 2017							
	Date of grant	31 January 2018	15 February 2019	17 May 2019	13 August 2019	04 November 2019	01 July 2020	17 September 2020
Exercise price	Rs. 118.48 per option	Rs. 159.01 per option	Rs. 179.92 per option	Rs. 184.55 per option	Rs. 189.56 per option	Rs. 197.80 per option	Rs. 197.80 per option	Rs. 197.80 per option
Vesting dates:								
Tranche I (10% of the options granted)	31 January 2019	15 February 2020	17 May 2020	13 August 2020	04 November 2020	01 July 2021	17 September 2021	17 September 2021
Tranche II (20% of the options granted)	31 January 2020	15 February 2021	17 May 2021	13 August 2021	04 November 2021	01 July 2022	17 September 2022	17 September 2022
Tranche III (30% of the options granted)	31 January 2021	15 February 2022	17 May 2022	13 August 2022	04 November 2022	01 July 2023	17 September 2023	17 September 2023
Tranche IV (40% of the options granted)	31 January 2022	15 February 2023	17 May 2023	13 August 2023	04 November 2023	01 July 2024	17 September 2024	17 September 2024

Vesting condition

Vesting of options would be subject to continued employment with the Company and certain covenants, on the fulfilment of which the granted options would vest in terms of agreement with employees. Thus the vesting of the options would be time and compliance of covenants to the ESOP 2017 agreement with employees.

Exercise period

The Vested options shall be exercised by the relevant employee post listing of the shares of the Company. In the event, listing is not done within a period of 5 (five) years from the date of first vesting of the relevant option, the employee shall have a right to exercise the vested option within a period of 3 (three) months from the date of expiry of the 5 (five) years from the date of first vesting.

Total options granted 7,70,000

- c. Employee stock option details as on the Balance sheet date are as follows:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of options	Amount	Number of options	Amount	Number of options	Amount
Outstanding at the beginning of the year	3,70,000	609.08	2,20,000	333.61	2,15,000	254.73
Granted during the year	2,25,000	445.05	1,50,000	275.47	1,80,000	286.22
Forfeited during the year	54,000	85.86	-	-	1,75,000	207.34
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	5,41,000	968.27	3,70,000	609.08	2,20,000	333.61
Exercisable at the end of the year	81,000	122.77	-	-	-	-

- d. The fair value of the options, calculated by an external value, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

(i) Grant Date: 31 January 2018

Particulars	ESOP 2017			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	118.48	118.48	118.48	118.48
Expected volatility (standard deviation - annual)	36.81%	36.81%	36.81%	36.81%
Risk free rate	7.73%	7.73%	7.73%	7.73%
Exercise price-Rs.	118.48	118.48	118.48	118.48
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	60.85	60.85	60.85	60.85
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

(ii) Grant Date: 15 February 2019

Particulars	ESOP 2017			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	179.92	179.92	179.92	179.92
Expected volatility (standard deviation - annual)	48.76%	48.76%	48.76%	48.76%
Risk free rate	7.49%	7.49%	7.49%	7.49%
Exercise price-Rs.	159.01	159.01	159.01	159.01
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	110.47	110.47	110.47	110.47
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

(iii) Grant Date: 17 May 2019

Particulars	ESOP 2017			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	179.92	179.92	179.92	179.92
Expected volatility (standard deviation - annual)	52.23%	52.23%	52.23%	52.23%
Risk free rate	7.75%	7.75%	7.75%	7.75%
Exercise price-Rs.	179.92	179.92	179.92	179.92
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	109.28	109.28	109.28	109.28
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

(iv) Grant Date: 13 August 2019

Particulars	ESOP 2017			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	179.92	179.92	179.92	179.92
Expected volatility (standard deviation - annual)	51.46%	51.46%	51.46%	51.46%
Risk free rate	7.75%	7.75%	7.75%	7.75%
Exercise price-Rs.	184.55	184.55	184.55	184.55
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	106.66	106.66	106.66	106.66
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

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(v) Grant Date: 04 November 2019

Particulars	ESOP 2017			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	189.56	189.56	189.56	189.56
Expected volatility (standard deviation - annual)	50.55%	50.55%	50.55%	50.55%
Risk free rate	7.75%	7.75%	7.75%	7.75%
Exercise price-Rs.	189.56	189.56	189.56	189.56
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	112.48	112.48	112.48	112.48
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

(vi) Grant Date: 01 July 2020

Particulars	ESOP 2017			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	197.80	197.80	197.80	197.80
Expected volatility (standard deviation - annual)	62.52%	62.52%	62.52%	62.52%
Risk free rate	5.89%	5.89%	5.89%	5.89%
Exercise price-Rs.	197.80	197.80	197.80	197.80
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	127.18	127.18	127.18	127.18
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

(vi) Grant Date: 17 September 2020

Particulars	ESOP 2017			
	Vest – 1	Vest – 2	Vest – 3	Vest – 4
Stock price- Rs.	197.80	197.80	197.80	197.80
Expected volatility (standard deviation - annual)	62.52%	62.52%	62.52%	62.52%
Risk free rate	5.89%	5.89%	5.89%	5.89%
Exercise price-Rs.	197.80	197.80	197.80	197.80
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	10%	20%	30%	40%
Option fair value- Rs.	127.18	127.18	127.18	127.18
Life of the options granted (vesting and exercise period) in years	6.25	6.25	6.25	6.25

e. Details of weighted average exercise price, fair value of the stock options granted and weighted average remaining contractual life are as follows:

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2019
Total options granted (in Nos)	7,70,000	5,45,000	3,95,000
Total options outstanding at the end of the year	5,41,000	3,70,000	2,20,000
Weighted average share price for options granted during the year (in Rs.)	197.45	183.65	159.01
Average exercise price (Rs.)	171.56	166.30	138.75
Weighted average remaining contractual life (years)	4.58	4.75	5.15

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India Shelter Finance Corporation Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in Rs. lakh, unless otherwise stated)

43 The COVID-19, declared as pandemic by World Health Organization (WHO) on 11 March 2020, is continuing to spread across the world and India. Besides its impact on human life, it has caused disruption in the social, economic and financial system of the world. Since March 2020, the Indian Government has announced a 21 days nationwide lockdown which has been extended in multiple tranches till 31 May 2020 with relaxation to essential services and selected economic activities. Effective from 1 June 2020, the Government has allowed resumption of economic activities with strict compliance of social distancing norms etc. in selected geographies. Pursuant to relaxation in the lockdown rules, most of the branches of the Company have recommenced their operations.

In accordance with Reserve Bank of India ('RBI') guidelines in relation to COVID-19 Regulatory Package dated 27 March 2020, 27 April 2020 and 22 May 2020, the Company has granted a moratorium for three months on the payments of installments falling due between 1 March 2020 to 31 May 2020, to all eligible borrowers and has now extended the same for further three months i.e. up to 31 August 2020. For all such accounts where moratorium is granted, prudential assets classification shall remain stand still during the moratorium period, based on position as on 29 February 2020 (i.e., the number of days past due shall exclude the period of moratorium for the purpose of asset classification)

The Company has strong capitalisation, low leverage and high liquidity to mitigate the impact of COVID-19 pandemic. Based on the available information from internal and external sources, the Company has used prudent judgements, estimates and possible forward looking scenarios to assess the impact of pandemic on the provisions in accordance with the expected credit loss (ECL) method on financial assets. However, the extent to which the COVID-19 pandemic will impact the Company's operations and financial metrics including expected credit losses on financial assets will depend on future developments which are uncertain.

44 The COVID-19 pandemic has adversely impacted the economic activities across the globe and changed the customer behaviour, which may persist. Based on the available information from internal and external sources, the Company has used prudent judgements, estimates and possible forward-looking scenarios to assess the impact of COVID-19 on the provisions in accordance with the expected credit loss (ECL) method on loans and other financial assets. Given the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainties and may be affected by the severity, duration of the pandemic and other variables.

45 Prior year adjustments

During the year ended 31 March 2020, the Company has restated its comparative financial statements to account for the impact of certain incremental costs and income directly attributable to loans computed basis effective interest rate method. Further, figures of previous year have been regrouped to present amortised cost of respective financial assets/ liabilities, few other heads of expenses and other financial statements line items have been reclassified wherever considered necessary to make them comparable with those of the current year. The effect of restatement due to above adjustment is summarised below:

Extract of Balance Sheet

As at 31 March 2019

Particulars	As previously reported	Adjustment	As restated
Assets			
Financial assets			
Bank balance other than cash and cash equivalents	1,616.20	16.39	1,632.59
Receivables	153.72	(153.72)	-
Loans	1,14,825.75	(763.19)	1,14,062.56
Other financial assets	1,432.05	(1,114.00)	318.05
Non-financial assets			
Deferred tax assets (net)	1,101.32	(245.42)	855.90
Other non-financial assets	1,651.71	(586.02)	1,065.69
Asset held for sale	-	100.14	100.14
	1,20,780.75	(2,745.82)	1,18,034.93
Financial liabilities			
Debt securities	14,216.75	812.83	15,029.58
Borrowings (Other than Debt Securities)	36,555.01	(263.35)	36,291.66
Other financial liabilities	1,966.05	(721.31)	1,244.74
Non-financial liabilities			
Other non-financial liabilities	3,400.82	(3,171.36)	229.46
Equity			
Other equity	75,116.76	597.37	75,714.13
	1,31,255.39	(2,745.82)	1,28,509.57

Extract of statement of profit and loss for the year ended 31 March 2019

Particulars	As previously reported	Adjustment	As restated
Revenue from operations			
Interest Income	15,035.10	5.71	15,040.81
Fees and commission Income	1,036.60	(619.15)	417.45
Net gain on fair value changes	124.77	1,012.99	1,137.76
Profit on sale of investments	1,012.99	(1,012.99)	-
Expenses			
Finance costs	4,883.29	(448.70)	4,434.59
Impairment on financial instruments	255.05	71.29	326.34
Employee benefits expenses	4,296.01	182.74	4,478.75
Other expenses	3,799.18	(765.03)	3,034.15
Profit before tax	3,765.96	346.25	4,112.21
Tax expense			
Deferred tax	(133.56)	100.83	(32.74)
Profit after tax	2,793.46	245.43	3,038.89
Other comprehensive income			
Remeasurements of the defined benefit plans	60.11	(50.82)	9.29
Income tax relating to above item	(17.50)	14.79	(2.71)
Total comprehensive income for the year	2,836.07	209.40	3,045.47

India Shelter Finance Corporation Limited
 Summary of the significant accounting policies and other explanatory information
 (All amounts in Rs. lakh, unless otherwise stated)

Impact on earnings per share - 31 March 2019

Particulars	As previously reported	Adjustment	As restated
Earnings per share			
Basic (Rs.)	7.36	0.53	7.89
Diluted (Rs.)	7.31	0.37	7.68

Extract of statement of cash flows - 31 March 2019

Particulars	As previously reported	Adjustment	As restated
Cash flows from operating activities	(34,102.24)	(964.51)	(35,066.75)
Cash flows from investing activities	2,561.72	(644.09)	1,917.63
Cash flows from financing activities	34,376.73	1,608.60	35,985.33

46 Hon'ble Supreme Court vide order dated 23 March 2021, in the matter of Small-Scale Industrial Manufacturers Associations vs UOI & Others has stated that the interim relief or stay granted on recognition of Non-Performing Account ('NPA') vide an interim order dated 3 September 2020 stands vacated. Accordingly, during such period, the Company has not classified any additional borrower account as NPA after 31 August 2020 which were not NPA as of 31 August 2020. However, during such period the Company has classified such accounts as stage 3 for financial reporting and provisioning purpose.

Further, in accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021, the Company has carried out asset classification of the borrower accounts as prescribed in the aforementioned RBI circular as at 31 March 2021.

47 In accordance with the Reserve Bank of India ('RBI') guidelines in relation to COVID-19 Regulatory Package dated 27 March 2020, 17 April 2020 and 23 May 2020, the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 to 31 August 2020, to eligible borrowers. For all such accounts where moratorium was granted, prudential assets classification remained stand still during the moratorium period and was based on position as on 29 February 2020.

The quantitative disclosures as required by the RBI's Circular ('the Circular') dated 17 April 2020 for the year ended 31 March 2021 are given below:

Particulars	As at 31 March 2021	As at 31 March 2020
Amount in SMA/overdue categories as on 29 February 2020	2,820.80	2,820.80
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the Circular (as of 29 February 2020)	2,287.16	2,621.43
Respective amount where asset classification benefit is extended (as of 29 February 2020)	1,293.12	850.31
Provisions made in terms of paragraph 5 of the circular (as per Para 4, applicable to entities covered under Ind AS) (as of 31 March 2021/ 31 March 2020)	300.64	41.13
Provisions adjusted against slippages in terms of paragraph 6 of the circular	Nil	Nil
Residual provisions as of 31 March 2021/ 31 March 2020 in terms of paragraph 6 of the circular	300.64	41.13

48 Disclosure as per RBI notification no.DOR.No.BP.BC/3/21.04.048/2020-21 dated 21.08.2020 on resolution framework for COVID-19- related stress

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 Loan	260	1,618.17	-	-	370.49
Corporate persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	260	1,618.17	-	-	370.49

49 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The Company has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.

50 In accordance with the instructions in RBI circular no. RBI/2021-22/17 DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 and Indian Bank Association ('IBA') advisory letter dated 19 April 2021, the Company shall refund/adjust 'interest on interest' to all the borrowers including those who had availed facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. The Company has estimated the amount of INR 0.69 lakh and income thereon has been reversed for the year ended 31 March 2021.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No.: 006711N/N500028

Aashish Gupta

Partner

Membership No.: 097343

Place: Gurugram

Date: 23 December 2021

For and on behalf of the Board of Directors of

India Shelter Finance Corporation Limited

Anil Mehta

Chairman

DIN: 02132315

Place: Gurugram

Date: 23 December 2021

Ashish Gupta

Chief Financial Officer

Place: Gurugram

Date: 23 December 2021

Rupinder Singh

Chief Executive Officer

and Managing Director

DIN: 09153382

Place: Gurugram

Date: 23 December 2021

Mukti Chaplot

Company Secretary

Membership No. 38326

Place: Gurugram

Date: 23 December 2021

November 02, 2021

To
The Manager
Listing Department, Debt Market
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai- 400001

Sub: Submission of Un-Audited Financial Result for the Quarter and half-year ended September 30, 2021

Dear Sir/Madam,

We hereby inform that our Board of Directors in their meeting held on November 02, 2021 has approved the Un-Audited Financial result for the half-year and quarter ended September 30, 2021.

Pursuant to the provisions of Chapter V of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation"). Please find enclosed herewith the below submission for your records: -

- (i) Un-Audited Financial Results of the Company along with limited review a report for the half-year and quarter ended with September 30, 2021 including additional information as required under Section 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) Certificate pursuant to the provisions of Regulation 52(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting commenced at 2.30 P.M at concluded at 3.30 P.M.

Kindly take the above on record and inform your constituents accordingly.

Thanking You,

Yours faithfully,
For India Shelter Finance Corporation Limited



(Ms. MUKTI CHAPLOT)
Company Secretary and Head-Internal Audit
Membership No.: 38326

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PL042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in



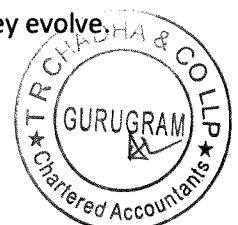
Limited review report on unaudited quarterly and year-to-date financial results under regulation 52 of the securities and exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of India Shelter Finance Corporation Limited for the period ended 30th September 2021.

To,

The Board of Directors,
India Shelter Finance Corporation Limited
Plot No-15, Sector-44,
Gurugram - 122002, Haryana, India.

1. We have reviewed the accompanying statement of unaudited financial results of India Shelter Finance Corporation Limited ("the company") for the quarter ended 30 September 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 ("the statement").
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 "Interim Financial Reporting" (Ind AS 34") prescribed under section 133 of the companies Act 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the securities and exchange board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 as amended ("the Listing Regulations"). Our responsibility is to issue a report on the 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. We have not performed an audit and accordingly we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement.
5. Emphasis of Matter

We draw attention to note 9 in the accompanying Statement which describes that the possible effects of the uncertainties due to the outbreak of COVID-19 on the allowance for expected credit losses on loans and other financial assets is significantly dependent on the future developments as they evolve. Our conclusion is not modified in respect of this matter.



T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015

Gurgaon Office: 76-D, Udyog Vihar Phase IV, Gurgaon -122001 (Haryana)
Phone: 0124-4129900, Fax: 011-4114935, E-mail: gurgaon@trchadha.com
Corporate Office/ Regd. Office: B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone: 43259900, Fax: 43259930, E-mail: delhi@trchadha.com



6. Other Matters

- a. The interim financial results of the Company for the quarter ended June 30, 2021, as reported in these financial results, have been incorporated based on management certified financials and duly approved by the Company's Board of Directors and have not been subjected to review since the requirement did not exist under the then applicable guidelines of the Regulation.
- b. The financial result for the half year ended September 30, 2020 were reviewed by the erstwhile auditor whose report dated November 9, 2020, expressed an unmodified conclusion on those interim financial results. We have relied upon the said report for the purpose of our report on this statement

Our conclusion is not modified in respect of these matter.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Reg. No-: 006711N/N500028

Aashish Gupta
(Partner)

Membership No. 097343
UDIN No. 21097343AAAAAJ3038



Place: Gurugram
Date: 02.11.2021

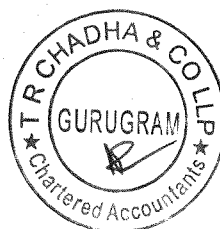
India Shelter Finance Corporation Limited
Registered office:- 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurugram-122 002
CIN: U65922HR1998PLC042782

Unaudited statement of financial results for the quarter and half year ended 30 September 2021

Unaudited statement of profit and loss for the quarter and half year ended 30 September 2021

(Amount in Lakhs)

Particulars	For the quarter ended		For the six month ended		or the year ended
	30-Sep-21 (Unaudited)	30-Jun-21 (Unaudited)	30-Sep-21 (Unaudited)	30-Sep-20 (Unaudited)	31-Mar-21 (Audited)
1 Revenue from operations					
(i) Interest income	9,208.30	8,287.24	17,495.54	12,884.83	27,457.21
(ii) Fees and commission income	327.81	167.44	495.26	185.44	999.26
(iii) Net gain on fair value changes	60.65	64.58	125.24	170.25	291.85
(iv) Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	2,922.29
Total revenue from operations	9,596.76	8,519.26	18,116.04	13,240.52	31,670.61
2 Other income	191.02	188.64	379.67	123.90	609.22
3 Total income(1+2)	9,787.78	8,707.90	18,495.71	13,364.42	32,279.83
4 Expenses					
(i) Finance costs	3,384.72	3,081.13	6,465.85	5,029.11	10,534.81
(ii) Impairment on financial instruments	353.85	892.31	1,246.16	998.68	1,984.73
(iii) Employee benefits expenses	2,089.84	2,272.48	4,362.32	2,821.29	6,168.58
(iv) Depreciation and amortisation	166.18	149.48	315.66	257.93	509.84
(v) Other expenses	602.81	419.61	1,022.41	740.48	1,786.18
Total expenses	6,597.40	6,815.01	13,412.40	9,847.49	20,984.14
5 Profit before tax (3-4)	3,190.38	1,892.89	5,083.31	3,516.93	11,295.69
6 Tax expense:					
(i) Current tax	1,032.72	515.37	1,548.09	1,054.50	2,477.20
(ii) Deferred tax	(225.61)	(86.63)	(312.24)	(280.48)	79.63
Total tax expense	807.11	428.74	1,235.85	774.02	2,556.83
7 Profit for the period (5-6)	2,383.27	1,464.15	3,847.46	2,742.91	8,738.86
8 Other comprehensive income					
(i) Items that will not be reclassified to profit or loss	-	-	-	(0.10)	(28.39)
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	0.03	7.15
Total other comprehensive income	-	-	-	(0.07)	(21.24)
9 Total comprehensive income for the period (7+8)	2,383.27	1,464.15	3,847.46	2,742.84	8,717.62
10 Paid-up equity share capital (face value of Rs. 10 per equity)	4,361.59	4,301.59	4,361.59	4,283.02	4,297.84
Other equity as per balance sheet	93,874.83	91,169.03	93,874.83	83,381.76	89,429.12
Earnings per equity share (EPS)					
*(EPS for quarter/six months not annualised)					
Basic (Rs.)	5.50*	3.40*	8.91*	6.40*	20.39
Diluted (Rs.)	5.44*	3.37*	8.82*	6.31*	19.86

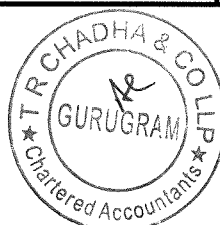


India Shelter Finance Corporation Limited
Registered office:- 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurugram-122 002
CIN: U65922HR1998PLC042782

Statement of Asset and Liability as at 30 September 2021

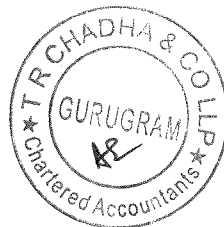
(Amount in Lakhs)

S.No	Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
A	Assets		
1	Financial assets		
(a)	Cash and cash equivalents	4,815.03	23,309.46
(b)	Bank Balance other than (a) above	41,478.31	18,058.31
(d)	Loans	2,30,790.06	1,98,116.96
(e)	Investments	7,655.83	-
(f)	Other Financial assets	2,409.24	2,808.55
	Total financial assets	2,87,148.47	2,42,293.28
2	Non-financial assets		
(a)	Current tax assets (Net)	-	3.55
(b)	Deferred tax assets (Net)	1,245.90	933.65
(c)	Property, Plant and Equipment	1,543.25	1,403.13
(d)	Other Intangible Assets	76.08	107.74
(e)	Other non-financial assets	1,247.50	1,174.97
(f)	Asset held for sale	308.26	347.85
	Total non-financial assets	4,420.99	3,970.89
	Total assets	2,91,569.46	2,46,264.17
B	Liabilities and Equity		
1	Financial Liabilities		
(a)	Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	12.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	482.70	450.63
(b)	Debt securities	13,084.29	8,222.38
(c)	Borrowings (Other than Debt Securities)	1,76,182.79	1,40,906.65
(d)	Other financial liabilities	2,924.59	2,088.81
	Total financial liabilities	1,92,674.37	1,51,680.59
	Non-financial liabilities		
(a)	Provisions	414.80	359.73
(b)	Current tax liabilities (Net)	85.00	-
(c)	Other non-financial liabilities	158.87	496.89
	Total non-financial liabilities	658.67	856.62
	Equity		
(a)	Equity share capital	4,361.59	4,297.84
(b)	Other equity	93,874.83	89,429.12
	Total equity	98,236.42	93,726.96
	Total liabilities and equity	2,91,569.46	2,46,264.17



India Shelter Finance Corporation Limited
Statement of cash flows for the half year ended 30 September 2021
(All amounts in Rs. lakh, unless otherwise stated)

Particulars	For the period ended 30 September 2021
(A) Cash flows from operating activities	
Profit before tax	5,083.29
Adjustments for:	
Depreciation and amortisation	315.66
Effective interest rate adjustment on financial assets	220.36
Effective interest rate adjustment on debt securities and borrowings	(377.85)
Share based payments to employees	157.33
Impairment on financial instruments	1,246.16
Impairment on assets held for sale	-
Net loss on derecognition of property, plant and equipment	0.51
Net unrealised gain on fair value change of investments	(2.92)
Net gain on derecognition of financial instruments under amortised cost	-
Gain on termination of leases	(2.26)
Interest expense on lease liabilities	44.81
Operating profit before working capital changes	6,685.09
Movements in working capital	
Increase in loans	(34,187.92)
Increase in investments	(7,652.47)
Decrease in other financial assets	416.02
Increase in other non-financial assets	(32.94)
Increase in trade payables	19.94
Increase in other financial liabilities	835.78
Decrease in other non-financial liabilities	(338.02)
Increase in provisions	86.67
Cash flows used in operating activities post working capital changes	(34,167.85)
Income tax paid (net)	(1,459.55)
Net cash flows used in operating activities (A)	(35,627.40)
(B) Cash flows from investing activities	
Payments made for purchase of property, plant and equipment and intangible assets	(270.22)
Proceeds from sale of property, plant and equipment	0.19
Investment in other bank balance (net)	(23,420.00)
Net cash used in investing activities (B)	(23,690.03)
(C) Cash flows from financing activities	
Proceeds from issue of equity share capital	503.68
Proceeds from debt securities	6,500.00
Proceeds from borrowings (other than debt securities)	61,377.85
Repayment of borrowings	(25,709.26)
Repayment of debt securities	(1,638.10)
Payment towards lease liabilities	(211.17)
Net cash flows from financing activities (C)	40,823.00
Net decrease in cash and cash equivalents (A+B+C)	(18,494.43)
Cash and cash equivalents at the beginning of the year	23,309.46
Cash and cash equivalents at the end of the year	4,815.03
Components of cash and cash equivalents	
Cash on hand	70.96
Balances with banks (of the nature of cash and cash equivalents)	
(a) Balance with banks in current accounts	4,744.07
(b) Deposits with original maturity of less than 3 months	-
Total cash and cash equivalents	4,815.03



India Shelter Finance Corporation Limited
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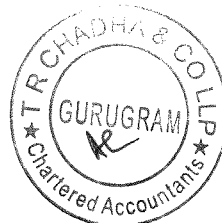
Notes:

1. India Shelter Finance Corporation Limited (the 'Company') is a housing finance company registered with the National Housing Bank predominantly engaged in a single business segment of housing finance and loan against properties in India.
2. These financial results for the quarter and half year ended 30 September 2021, were reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 02 November 2021. These financial results have been subjected to limited review by the statutory auditors of the Company.
3. These financial results for the quarter and half year ended 30 September 2021 have been prepared in accordance the accounting principles generally accepted in India, including the recognition and measurement principles laid down in the Ind AS, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and have been presented in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
4. Figures for the quarter ended 30 September 2021 represent the balancing figures derived by deducting the reviewed year-to-date figures for the first six months ended 30 September 2021 and year to date figures up to the end of quarter ended 30 June 2021.
5. The Company is predominantly engaged in providing housing loans and loan against properties. Accordingly, there are no separately reportable business or geographical segments as per the Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the Chief Operating Decision Maker.
6. The secured non-convertible debentures issued by the Company are fully secured by pari-passu charge on loan receivables of the Company, to the extent as stated in the respective information memorandum. Further, the Company has maintained 100% asset cover or higher as stated in the information memorandum which is sufficient to discharge the principal amount at all the times for the secure non-convertible debt securities issued.
7. During the half year ended 30 September 2021, the Company had granted 970,595 options under Employee Stock Option Plan (ESOP) 2021 to its eligible employees. Further, following options were exercised during the half year ended 30 September 2021, and equity shares were allotted under the ESOP scheme 2012 and ESOP scheme 2017 as mentioned below:

ESOP scheme	Number of equity shares
ESOP scheme 2012	6,19,000
ESOP scheme 2017	18,500

8. During the half year ended 30 September 2021, the Company has issued non-convertible debentures (NCD) as follows:

Particulars	Amount	Date of issue	(Amount in Rs. Lakh)	
			Date of listing (BSE)	
Non-convertible debentures – Privately placed*	5,000	22 June 2021	28 June 2021	
Non-convertible debentures – Privately placed*	3,000	31 August 2021	7 September 2021	
Non-convertible debentures – Privately placed*	3,500	15 September 2021	21 September 2021	



9. The COVID-19 pandemic has adversely impacted the economic activities across the globe and changed the customer behaviour, which may persist. Based on the available information from internal and external sources, the Company has used prudent judgements, estimates and possible forward-looking scenarios to assess the impact of COVID-19 on the provisions in accordance with the expected credit loss (ECL) method on loans and other financial assets. Given the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainties and may be affected by the severity, duration of the pandemic and other variables.
10. Disclosure as per RBI notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 on resolution framework for COVID-19 related stress is as follows:

Format-A

(Amount in Rs. lakh)					
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	260	1,618.17	-	-	370.49
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	260	1,618.17	-	-	370.49

* exposure to accounts before implementation of resolution plan as of 30 September 2020.

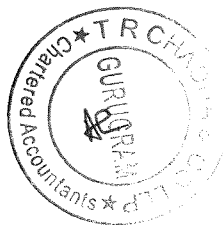
Format-B

(Amount in Rs. lakh)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	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 – Position as at the end of this half-year
Personal Loan	1613.80	190.11	1.81	43.90	1,377.99
Corporate Persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,613.80	190.11	1.81	43.90	1,377.99

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Note-1 Exposure against accounts under Resolution Framework 1.0. Amounts are including interest capitalised till 31st March 2021 under Resolution plan but excluding subsequent interest accrued.

Note-2 Accounts where resolution plan was implemented under Resolution Framework 1.0 has not been considered under Resolution Framework-2.0



11. Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/31 dated 5 May 2021 pertaining to Resolution Framework-2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses:

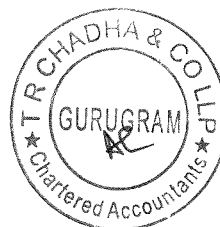
Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	162	-	-
(B)	Number of accounts where resolution plan has been implemented under this window	162	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan*	982.10	-	-
(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	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan**	88.03	-	-

* Exposure as of 31st March 2021 excluding interest arrear.

** Increase in provision is computed as difference between Provision as of 31st Mar'21 and 30th Sep'21.

12. Additional Information pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 30,2021 are as follows:

Particulars	As at 30 th September 2021	As at 31 st March 2021
Net Worth	98,236.42 lakhs	93,726.96 lakhs
Debt -Equity Ratio	1.93 times	1.59 times
Debt service coverage Ratio* (PBT+ Finance Cost+ Principal Collection from Customer)/(Finance Cost +Debt Repayment) (Principal collection and Debt repayments in next 12 months from the balance sheet date)	0.60 times	0.69 times
Interest service coverage Ratio (PBT+ Finance Cost)/Finance Cost	1.60 times	2.12 times
Current Ratio (Current Assets/Current Liability)	1.83	1.35
Total Debts to Total Assets (Debt securities+ Borrowings {Other than Debt Securities}/Total Assets)	0.65	0.61
Operating Margin(%) (PBT/Total Income)	27.50%	34.99%
Net Profit Margin(%) (PAT/Revenue from operation)	21.25%	27.53%
Gross NPA ratio (Gross Stage 3 loans/Gross Loan Assets)	2.60%	1.78%
Net NPA ratio (Net Stage III/Net Loan Assets)	1.82%	1.23%
Provision Coverage ratio (Total Impairment loss/Gross Stage 3 loans)	31.39%	31.59%



Outstanding redemption reserve/ Debenture redemption reserve	N.A	N.A
Outstanding redeemable preference shares	N.A	N.A
Capital redemption reserve/Debenture redemption reserve	N.A	N.A
Long term debt to working capital ratio	N.A	N.A
Bad debts to account receivable ratio	N.A	N.A
Current liability ratio	N.A	N.A
Debtors turnover	N.A	N.A
Inventory turnover	N.A	N.A
Profit after Tax	2,383.27 lakhs	8,717.62 lakhs
Earning Per Share	5.50	20.39

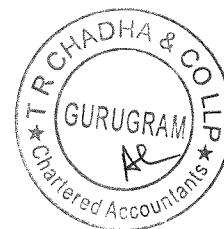
* This does not includes unencumbered cash and bank balance and short term investment held by the Company as at 31 March 2021 and pre-payments expected from customers in next 12 months.

13. Pursuant to Regulation 52(7A), the Company confirms that there have been no material deviations in the use of proceeds of issue of Non-Convertible Debentures from the objects stated in the offer document.
14. In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27. 2016, the Company hereby declares that the auditors have issued audit report with unqualified opinion on Reviewed financial results for the quarter and half year ended September 30.2021.
15. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable with the current period.

For and on behalf of the Board of Directors of
India Shelter Finance Corporation Limited



Anil Mehta
 Managing Director & CEO
 (DIN: 02132315)



Place: Udaipur
 Date: 02 November 2021

November 02, 2021

To
The Manager
Listing Department, Debt Market
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai- 400001

Subject: Statement of Material Deviation under Regulation 52(7) of SEBI (LODR) Regulation, 2015 for the Quarter ended September 30, 2021

Dear Sir / Madam,

Pursuant to provisions of Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the proceeds of all the debt issue listed on BSE have been utilised for the purposes for which they were raised and that there is no deviation in the utilization of their issue proceeds.

We request you to take the above information on your record.


Thanking You,
Yours Faithfully,

For India Shelter Finance Corporation Limited



(Mukti Chaplot)
Company Secretary and Compliance Officer
Membership No.: 38326

Annexure-A

Statement of Deviation or Variation						
Name of listed entity/Unlisted Public Co.	India Shelter Finance Corporation Ltd					
Mode of Fund Raising	Private Placement					
Type of instrument	Non-Convertible Debentures					
Scrip Code of NCD	959575	973263	973414	973456		
ISIN	INE922K07054	INE922K07062	INE922K07070	INE922K07088		
Date of Raising Funds	12-06-2020	22-06-2021	31-08-2021	15-09-2021		
Amount Raised in (INR Crores)	Rs. 15 Cr	Rs. 50 Cr	Rs. 30 Cr	Rs. 35 Cr		
Listing Date	19-06-2020	28-06-2021	07-09-2021	21-09-2021		
Report filed for Quarter ended	September 30, 2021					
Is there a Deviation / Variation in use of funds raised?	No deviation*	No deviation*	No deviation*	No deviation*		
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	No	No	No	No		
If yes, details of the approval so required?	NA	NA	NA	NA		
Date of approval	NA	NA	NA	NA		
Explanation for the Deviation / Variation	NA	NA	NA	NA		
Comments of the audit committee after review	NA	NA	NA	NA		
Comments of the auditors, if any	NA	NA	NA	NA		
Objects for which funds have been raised and where there has been a deviation, in the following table						
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the half year according to Applicable object (INR Crores and in %)	Remarks, if any
-	-	-	-	-	-	-
<p><i>Deviation could mean:</i></p> <p>(a) Deviation in the objects or purposes for which the funds have been raised</p> <p>Name of Signatory: Ms. Mukti Chaplot</p> <p>Designation: Company Secretary and Head- Internal Audit</p>						
<p align="center">  </p>						
*Funds have been utilized for the end use stated in transaction documents.						

KEY OPERATIONAL AND FINANCIAL PARAMETERS

This section should be read together with the Reformatted Financial Statements, including the notes thereto, in “Financial Statements” on page 118.

Our financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise in dictated or the context otherwise requires, the financial information included herein is derived from our Reformatted Financial Statements included in this Draft Prospectus.

Key Performance Indicators - Reformatted Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance Sheet			
Net Fixed assets (including intangible assets)	1,510.86	1,784.71	662.89
Current assets	51,211.08	34,725.47	24,301.09
Deferred tax assets (net)	933.65	1,006.14	855.90
Non-current assets	1,92,608.58	1,42,382.81	1,07,655.55
Total Assets	2,46,264.17	1,79,899.13	1,33,475.43
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	-	-	-
Financial (borrowings, trade payables, and other financial liabilities)	1,14,314.57	76,148.93	43,639.22
Provisions	274.84	340.80	286.09
Deferred tax liabilities (net)	-	-	-
Other non-current liabilities	-	-	-
Current Liabilities			
Financial (borrowings, trade payables, and other financial liabilities)	37,366.02	18,352.23	9,313.98
Provisions	84.89	60.33	52.10
Current tax liabilities (net)	-	-	-
Other current liabilities	496.89	168.47	229.46
Equity (equity and other equity)	93,726.96	84,828.37	79,954.58
Total equity and liabilities	2,46,264.17	1,79,899.13	1,33,475.43
Profit and Loss			
Total revenue	32,279.83	22,991.04	16,596.08
Revenue from operations	31,670.61	22,908.06	16,596.02
Other income	609.22	82.98	0.06
Total Expenses	20,984.14	16,607.16	12,483.87
Profit / (loss)	11,295.69	6,383.88	4,112.21
Profit / (loss) after tax	8,738.86	4,691.14	3,038.89
Earnings per equity share: Basic; (Continuing operations)	20.39	10.99	7.89
Earnings per equity share: Diluted (Continuing operations)	19.86	10.8	7.68
Earnings per equity share: Basic (Discontinued operations)	-	-	-
Earnings per equity share: Basic (Total Continuing and discontinued operations)	20.39	10.99	7.89
Earnings per equity share: Diluted (Total Continuing and discontinued operations)	19.86	10.8	7.68
Cash Flow			
Net cash generated from operating activities	(32,699.20)	(29,154.97)	(70,287.63)
Net cash used in / generated from investing activities	(1,721.70)	(15,025.52)	1,917.63
Net cash used in financing activities	55,996.37	39,536.69	16,192.46

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	23,309.46	1,733.99	6,377.79
Balance as per statement of cash flows	21,575.47	(4,643.80)	(52,177.54)
Additional Information			
Net worth	93,726.96	84,828.37	79,954.58
Cash and Cash Equivalents	23,309.46	1,733.99	6,377.79
Current Investments	-	9,385.88	7,976.89
Assets Under Management	2,19,852.74	1,51,978.89	17,803.45
Off Balance Sheet Assets	16,494.32	860.28	1,613.24
Total Debts to Total assets (times)	0.61	0.52	0.38
Debt Service Coverage Ratios (times)	0.52	0.69	1.17
Interest Income	27,457.21	21,213.58	15,040.81
Interest Expense	10,534.81	7,534.87	4,434.59
Interest service coverage ratio (times)	2.12	1.87	1.95
Provisioning & Write-offs	1,984.73	1,173.32	326.34
Bad debts to Account receivable ratio (times)			
Gross NPA (%)	1.78%	1.29%	1.37%
Net NPA (%)	1.23%	0.86%	1.07%
Tier I Capital Adequacy Ratio (%)	70.81%	80.61%	90.16%
Tier II Capital Adequacy Ratio (%)	0.70%	0.51%	1.00%

Debt Equity Ratio of the Company (as on March 31, 2021)

Debt Equity Ratio before Issue of the Debt Securities	1.59 times
Debt after Issue of the Debt Securities	1.64 times

Note 1: The debt equity ratio post issue is indicative and is on account of inflow of ₹ 10,000 lakhs from the proposed public issue.

Note 2: The debt equity ratio pre-issue is calculated based on the Reformatted Financial Statements for the year ended March 31, 2021.

Note 3:

- Short term borrowings represent borrowings which are due within twelve months from March 31, 2021.
- Long term borrowings represent debts other than short term borrowings, as defined above, including current maturities of long-term borrowings.
- The figures disclosed above are based on the Reformatted Financial Statements of the Company as at March 31, 2021.
- Total Debts to Total assets = Short term borrowings + Long term borrowings including current maturity of long term borrowings / Total Assets.
- Debt Service Coverage Ratios = Earnings before Interest and Taxes/ Total Debt (Borrowings)
- Interest service coverage ratio = Earnings before Interest and Taxes / Finance Cost
- Bad debts to Account receivable ratio = Bad Debts written off / Trade Receivables
- Debt / Equity Ratio= Total Debt (Borrowings) / Net worth.

The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 10,000 lakhs from the proposed public issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and shareholders fund on the date of allotment.

FINANCIAL INDEBTEDNESS

Details of the outstanding borrowings of our Company as on September 30, 2021:

S.No.	Nature of Borrowing	Amount (in ₹ Lakh)
1.	Secured Borrowings	1,89,267.07
2.	Unsecured Borrowings	-
	Total	1,89,267.07

Standalone	Amount (in ₹ Lakh)
Debt Securities	13,084.29
Borrowings (Other than Debt Securities)	1,76,182.79
Subordinated Liabilities	-
Total	1,89,267.07

Set forth below, is a brief summary of the borrowings by our Company as on September 30, 2021, together with a brief description of certain significant terms of such financing arrangements.

Secured Loan Facilities:

Our Company's secured borrowings as on September 30, 2021 amount to ₹ 1,89,267.07 lakh.

The details of the secured borrowings are set out below:

Term Loans

The total sanctioned amount of term loans availed from banks as on September 30, 2021 is ₹ 2,45,697 lakh, the total amount outstanding (as per Ind-AS) as on September 30, 2021 is ₹ 1,69,599.71 lakh, and the principal amount outstanding as on September 30, 2021 is ₹ 1,67,572.06 lakhs. The details of the term loans as of September 30, 2021 are set out below:

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security	
HDFC Bank										
1	September 24, 2021	7,500.00	7,460.68	7,500.00	September 30, 2026	Monthly	2% of the Facility Amount or part thereof Prepaid.	2% PA Over and above contracted rate of interest.	Book debts to the extent on 1.1x of the outstanding loan, including debtors outstanding for not longer than 60 days.	
2	March 25, 2021	5,000.00	4,642.17	4,642.85	March 25, 2028	Monthly				
3	July 07, 2021	5,000.00	2,407.88	2,433.80	March 26, 2026	Monthly				
4	September 30, 2020	2,500.00	2,139.26	2,142.85	September 29, 2027	Monthly				
5	June 29, 2020	2,500.00	1,721.29	1,718.75	June 29, 2024	Quarterly				
6	August 31, 2019	2,500.00	1,254.94	1,250.00	August 31, 2023	Quarterly				
7	September 25, 2019	5,000.00	3,875.77	3,884.29	July 26, 2026	Monthly				
8	September 29, 2017	5,000.00	1,675.03	1,666.67	September 29, 2023	Quarterly				
9	May 29, 2017	1,500.00	371.76	370.37	February 13, 2024	Quarterly				3% would be levied over and above the rate as applicable for all overdues
10	February 13, 2017		179.32	178.57						
DCB Bank Limited										

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
11	July 30, 2018	2,000.00	770.34	771.93	July 30, 2023	Monthly	2.00% on the prepaid amount/installment on subject to a minimum of Rs.10,000/- in other cases.	2.00% on the irregular/overdue amount and sanctioned limit till day of compliance.	Exclusively hypothecation of receivables charged to DCB bank to the 110% of term loan outstanding.
Federal Bank									
12	September 30, 2021	7,500.00	7,501.68	7500.00	October 30, 2028	Monthly	1% p.a. of facility or balance o/s whichever is higher plus Taxes at applicable Taxes	4% p.a. for default/delay in service of interest/principal .	First & exclusive charge on specific priority sector receivables of housing loan receivables with security coverage of 110%. 1 UDC of facility Amount for Term Loan
13	March 31, 2021	5,000.00	4,356.53	4375.00	March 31, 2025	Monthly			
14	December 31, 2020	3000.00	2,427.23	2437.500	December 31, 2024	Monthly			
15	June 28, 2019	2500.00	1,361.23	1375.00	June 28, 2024	Monthly			
16	May 30, 2018	2500.00	1,072.03	1083.33	May 30, 2018	Monthly	2% p.a. of the balance outstanding NIL in case closed from own sources after 30 days' notice.	2% p.a. Over and above contracted rate of interest.	
IndusInd Bank									
17	July 9, 2021	5434.00	3281.73	3354.16	July 8, 2025	Monthly	2.00% on the prepaid amount	<ul style="list-style-type: none"> •2% for non-Submission of stock statement and other information. •BPLR 2% for other irregularities rendering the account overdue. Shortfall in drawing power, development of LCs. 	Exclusive charge over Receivables (Including loans and advances) of the borrower maintaining asset cover of 1.15 times during the tenor of the facility. Irrevocable power of attorney in lender's favour authorizing the lender to recover directly from receivables charged to lender, in case of default.
18	December 31, 2019	4263.00	274.29	281.25	December 31, 2023	Monthly			
19	October 18, 2016	1500.00	79.10	83.33	September 30, 2022	Monthly			
Bank of Maharashtra									
20	July 31, 2021	3500.00	3337.24	3383.34	July 21, 2026	Monthly	As per the policy of the Bank	Penal Interest of 1.00% will be charge in case of	Exclusive Charge on loan

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
								breach of any of the parameter from the date of ABS and shall continue till the breach is cure.	receivables pertaining to the standard assets of the company of standard Assets of the company of standard outstanding loan balance. Standard Assets with Zero dpd only be considered for calculation of cover period.
Punjab and Sind Bank									
21	March 31, 2017	1000.00	466.01	471.77	June 30, 2025	Quarterly	1%	-	First Charge on specific, Mortgage loan to the extent of 1.11 times of Loan borrowed from the bank. Personal Guarantee of Mr. Anil Mehta
Kotak Mahindra Bank									
22	June 29, 2021	5000.00	4754.86	4749.95	June 29, 2026	Monthly	2% of the amount prepaid upto tenure of 12 months from the date of disbursement, 1% of the amount prepaid in tenure 12-24 months from the date of disbursement and NIL penalty on amount pre-paid post tenure of 24 months from date of disbursement, provided that/ no	Rs. 2000/- in the subsequent month & Rs 5000/- per month from the next month till the statement is submitted Amounts unpaid on due date shall attract interest at 2% p.m. compounded monthly. Rs. 5000/- per month till the provisional financials are submitted Rs 5000/- per month till the audited	First and exclusive hypothecation charge on all existing and future receivables (Asset Cover 1.10x). Unconditional and irrevocable Personal Guarantee of promoter director, Mr. Anil Mehta.
23	July 18, 2019	1500.00	691.80	4749.95	July 18, 2023	Monthly			

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
							prepayment penalty will be payable to the lenders if: 1)The prepayment is effected at the instance of lenders	financials are submitted	
RBL Bank									
24	March 31, 2021	6000.00	3491.31	3500.00	March 30, 2025	Monthly	Nil with prior notice of 30 days to the bank.	<ul style="list-style-type: none"> Any overdrawing in the account will attract additional interests 2% p.a. over and above the applicable interest on the overdue amount. Non-payment of interest/instalment any other amount due to the bank on the due date will attract additional interest @2% on the overdue interest/ instalment/ any other amount due to the Bank. Delay/ non-submission of stock statements will attract additional interest @2% p.a. + applicable taxes from the date of default, 	<p>Exclusive first charge on portfolio of receivables as acceptable to bank from time to time covering 1.10x of the principle at any point of time during the currency of the facility.</p> <p>Any loan that is overdue more than 90 days must be replaced by a current loan meeting the portfolio organisation criteria.</p> <p>12 undated cheques covering sanction amount.</p>
			997.51	1000.00	Sept 15, 2025			on the outstanding amount.	<p>Exclusive first charge on portfolio of receivables as acceptable to bank from time to time covering 1.10x of the principle at any point of time during the currency of the facility.</p> <p>Any loan that is overdue more than 90</p>
25	October 31, 2019	3500.00	1934.28	1944.44	October 31, 2023	Monthly	2% of outstanding amount of loan.		

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
									days must be replaced by a current loan meeting the portfolio organisation criteria. 7 undated cheques covering sanction amount.
26	April 20,2016	2500.00	255.30	257.81	April 20,2024	Quarterly			<ul style="list-style-type: none"> • Exclusive first charge on portfolio of receivables as acceptable to bank from time to time covering 110% of the principle at any point of time during the currency of the facility. The Company to create charge on additional assets periodically as and when the value of these receivables decreases due to loan repayment and/or the asset becoming overdue for more than 30 days. • Personal Guarantee of Mr. Anil Mehta.
27	March 30,2016		232.09	234.37	March 30,2024				
28	December 29, 2015		278.51	281.25	December 31, 2023				
Bank of Baroda									
29	December 31,2019	6000.00	4458.14	4499.97	February 29, 2024	Monthly	Prior notice of 15 days to prepay will not lead to any prepayment penalty	Penal interest will be charged, @ 1.00%-2.00% p.a., as per Bank's norms	Primary Security: First & exclusive Charge Hypothecation Book Debts.

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
									<ul style="list-style-type: none"> • Collateral Security Lien over Fixed Deposit in the name of Company at 5% of the Exposure (Cash Collateral to be reset accordingly, to maintain the collateral coverage @5% at the time of annual review) Effective Cash Collateral security value as on date is Rs. 3.00 crores
State Bank of India									
30	February 28, 2017	5000.00	2259.85	2295.13	February 26, 2025	Monthly	-	<p>5% P.A. on the irregular portion for the period of irregularity for Non-Payment of interest and instalments</p> <p>1.00% p.a. on the entire outstanding for the period of default in case of Cross default (Default in payment of instalment! interest to other Institutions/ Banks.)</p> <p>Non-submission of renewal data 30 days before the due date for renewal of limits: Flat Rs 50,000/- upto the due date of renewal & flat Rs 1,00,000/- per month thereafter till the date of</p>	<p>Hypothecation of pool receivables amounting to 110% of the loan value within the stipulated time with irrevocable power of attorney to fall back in case of default.</p> <p>Extension of charge over the current assets created from the banks proposed loan.</p> <p>Personal Guarantee of Mr. Anil Mehta</p>

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
								submission. (Broken month will be treated as full month) Non submission of audited balance sheet within 6. months of the closure of the financial year of the borrowing entity: {broken month will be treated as full month)	
Bandhan Bank									
31	November 27, 2020	5500.00	4934.03	1583.297	December 01, 2027	Monthly	Borrower may prepay the facility amount with payment of Prepayment Penalty of 4.00% on the principal outstanding amount for first 2 years and 2.00% for the rest of the tenor.	Penal interest rate shall be 2% over and above the interest rate Aggregate penal interest should be not exceeding 2%	Exclusive hypothecation charge on the Book Debts created out of Bandhan Bank loan with a minimum cover of 1.10 x times. Irrevocable Power of Attorney In favour of bank to create hypothecation charge in favor of the bank over specific assets and to collect the book debts directly from individual borrowers in the event of default by the company. One updated cheque of Rs. 55 cr in related to term Loan.
32	October 31, 2019	2500.00	1593.14	1583.297	October 31, 2024	Monthly	Premium of 2.00% on the principal outstanding amount of		Exclusive hypothecation charge on the Book Debts created out of

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
							loan proposed to be prepaid.		Bandhan Bank loan with a minimum cover of 1.10 x times. Irrevocable Power of Attorney In favour of bank to create hypothecation charge in favor of the bank over specific assets and to collect the book debts directly from individual borrowers in the event of default by the company.
Axis Bank									
33	August 29, 2020	1500.00	1085.11	1090.91	August 31, 2023	Quarterly	The term loan facility to continue for a minimum period of two years, in case of prepayment post 2 year from the first date of disbursement, the lender will be entitled to prepayment penalty of 1% of the amount prepaid, except in cases mentioned below: •In the event the interest/spreads reset is not acceptable to the borrower, the borrower shall have the option to prepay the loan, in full or in part on the reset date.	In the event of any non-payment of TL instalment/interest, penal interest at 2% p.a. on the amount of overdue instalment/interest will be charged.	Exclusive charge on the receivables of standard assets portfolio with a minimum asset cover of 1.10x times to be maintained at all times (Receivables with days past due (dpd) of more than 30 days shall not be considered for calculation of stipulated security cover).

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
							•The amount prepaid shall be applied in the inverse order of maturity. Any amount prepaid shall not be redrawn.		
National Housing Bank									
34	June 24, 2021	7000.00	5339.03	5250.00	June 14, 2021	Quarterly	Prepaid with Prior notice of 30 days	-	<ul style="list-style-type: none"> •Hypothecation of the book debts. •List of flagged loans of individual housing loan portfolio up to 100% of the facility with an undertaking not to create any charge on it •Demand Promissory Note
35	March 30, 2021	8000.00	7803.38	7697.00	January 01, 2031	Quarterly	The Company, after availing the refinance assistance from NHB may repay the whole or any part of the amount as per below: •Prepay refinance once every six months i.e., once during the period January-June and once during the period July-December. This would be reckoned from the date of actual prepayment and not the date of notice.	-	<ul style="list-style-type: none"> •The refinance extended/ to be extended by NHB is secured by first exclusive charge over the book debts (together with securities thereof) refinanced by NHB with 25% margin. •Submission of upfront Bank Guarantee of 10% of the sanctioned amount for the entire tenure of loan.
36		1000.00	871.37	866.00	January 1, 2028	Quarterly		-	
37		96.79	96.20	96.20	January 1, 2028	Quarterly		-	
38	June 10, 2020	10000.00	7995.55	7869.50	October 1, 2029	Quarterly		-	

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
39	May 14, 2020	20000.00	15745.00	15493.72	April 1, 2025	Quarterly	There would be no restriction on the quantum of prepayment. <ul style="list-style-type: none"> • One year old would be allowed to be prepaid. The Company would be free to give notice of prepayment before the completion of the one year period. • The condition of 2 months notice for prepayment would continue. • In any other case: Upto 1 year-1% of amount to be prepaid More than 1 year-0.5% of the amount to be prepaid in case of more than 1 year 	-	At the end of six months, security (exclusive) already obtained from the HFCs at the time of availing Refinance under LIFT to be replaced/ substituted with the charge to NHB on unencumbered individual housing loan portfolio under priority sector so created out of Refinance disbursed under Lift maintaining the stipulated asset coverage.
40	June 27, 2019	10000.00	1177.78	1164.00	April 1, 2026	Quarterly		-	First exclusive charge by way of hypothecation in a form of satisfactory to the housing bank of the book debts financed. The total asset coverage available would be to the extent of 125% of the amount refinanced. A fresh bank guarantee of 5.00 crores for this sanction.
41			926.31	911.76	April 1, 2032	Quarterly		-	
42	March 28, 2019		780.84	769.15	January 1, 2029	Quarterly		-	
43	January 25, 2019		2376.31	2340.58	January 1, 2030	Quarterly		-	
44	December 28, 2018		1572.06	1542.42	July 1, 2027	Quarterly		-	
45	June 29, 2018	5000.00	1305.97	1285.37	October 01, 2031	Quarterly		-	
46			386.47	379.40	July 01, 2027	Quarterly		-	
47			555.20	548.80	April 1, 2025	Quarterly		-	
48	June 30, 2017	2000.00	672.17	660.62	January 1, 2026	Quarterly		-	

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
49	March 31, 2017	5000.00	1570.24	1541.90	July 01, 2027	Quarterly		-	First exclusive charge by way of hypothecation in a form of satisfactory to the housing bank of the book debts financed. The total asset coverage available would be to the extent of 125% of the amount refinanced. Personal guarantee of Shri Anil Mehta, MD & CEO. Continuance of bank guarantee of 2 crore taken earlier.
Ujjivan Bank									
50	March 31, 2021	2000.00	1790.48	1799.99	March 31, 2026	Monthly	<ul style="list-style-type: none"> The Borrower shall have no right to make partial prepayment under the Facility, unless specifically permitted by the Bank. If the Bank permits partial prepayment, the same may be made by the Borrower subject to the conditions that might be stipulated by the Bank. The Borrower may prepay the Facility in full, provided the 	<p>Interest @ 2% per annum on the defaulted amount shall be charged for non-payment of amount on respective due dates.</p> <p>Interest @ 2% per annum on the outstanding amount under the facility shall be charged for non-creation of security as well as for non-registration of charge with the concerned authorities within the stipulated period</p> <p>Interest @ 2% per annum on the outstanding</p>	<p>Primary Security:</p> <p>The Facility, and all interest, additional interest, further interest, liquidated damages, indemnification on payments, fees, costs, expenses and other monies owing by and all other present and future obligations and liabilities to be secured by way of a first ranking exclusive and continuing charge on the</p>

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
							request for such prepayment is served on the Bank in writing atleast 15 (Fifteen) days' prior to the proposed date for prepayment and the request is accompanied by a Certificate issued by the Chief Financial Officer of the Borrower or a Chartered Accountant acceptable to the Bank (in such form and with such contents as stipulated by the Bank) stating that the amount so prepaid is from internal accruals only. Further, the Borrower shall have to pay penalty @ 2 (Two) Percent per annum on the principal amount under the Facility proposed to be prepaid. However, there shall be no prepayment penalty applicable, if the prepayment is made after completion of 2 Two years from the date	amount under the facility shall be charged for non-submission of various statements/information on the due dates.	identified loan receivables of the Borrower (the "Portfolio") to be created in the mode and manner stipulated by the Bank. Throughout the tenure of the Facility the Borrower shall maintain security coverage of at least 110% of the value of the outstanding amounts of the Facility. Loan Receivables which are having overdues upto 60 days DPD shall be shall not, under any circumstance, transfer, sell, assign or create any encumbrances over the Portfolio in favour of any third party without the prior written consent of the Bank. Collateral Security: 4 Undated Cheques, each drawn for an amount not exceeding INR 5,00,00,000 I -aggregating

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
							of first disbursement.		Facility Amount of Rs.20,00,00,000 I- (Rupees Twenty Crores Only).
51	September 30, 2020	3000.00	2238.12	2250.00	September 30, 2024	Monthly			<p>Primary Security: The Facility, and all interest, additional interest, further interest, liquidated damages, indemnification payments, fees, costs, expenses and other monies owing by and all other present and future obligations and liabilities to be secured by way of a first ranking exclusive and continuing charge on the identified loan receivables of the Borrower (the "Portfolio") to be created in the mode and manner stipulated by the Bank. Throughout the tenure of the Facility the Borrower shall maintain security coverage of at least 110% of the value of the outstanding</p>

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
									<p>amounts of the Facility. Loan Receivables which are having overdues upto 60 days DPD shall be shall not, under any circumstance , transfer, sell, assign or create any encumbrances over the Portfolio in favour of any third party without the prior written consent of the Bank.</p> <p>Collateral Security: 6 Undated Cheques, each drawn for an amount not exceeding INR 5,00,00,000 I-aggregating Facility Amount of Rs.30,00,00,000 I- (Rupees Twenty Crores Only).</p>
Equitas Small Finance Bank									
52	March 31, 2021	5000.00	1749.96	1750.00	January 05, 2025	Monthly	Bank shall charge a prepayment charge of 1% flat, on the outstanding loan amount	penal interest of 2% on the overdue interest instalment any other amount due to the Bank	Exclusive First Floating Charge on receivables created out of Equitas loan proceeds with margin to the extent of 1.10x of the outstanding, assigned to Equitas at
53	December 31,2019		1749.96	1750.00	January 05, 2025				

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
									any point of time during the currency of the facility until maturity of loan tenure
Yes Bank									
54	December 29, 2020	3500.00	3142.67	3131.58	December 29, 2025	Monthly	Prepayment charges of 2% will be applicable on the outstanding amount unless specifically waived by the bank. Additionally, no prepayment penalty on below points a. Waiver after first 12 months with 7 days' notice b. Waiver at each reset c. Waiver in case of breach of any covenant	-	Exclusive Charge on all the standard book debts/receivables of the Borrower (both present and future) with minimum cover of 1.10 x.
Bajaj Finance Limited									
55	April 30, 2021	3000.00	2673.49	2687.50	April 30, 2025	Monthly	1.00% (one percent) with prior written notice of 30 days	penal interest at the rate of 1% (one percent) shall be charged for the delay	The facility shall be secured by first and exclusive charge/hypothecation of receivables present and future of the borrower by way of hypothecation with minimum asset cover of 1.10x of the principal amount and interest.
56	September 1, 2020	2000.00	1452.33	1458.33	August 30, 2024	Monthly			
57	July 10, 2019	2000.00	755.62	761.90	January 10, 2023	Monthly			
Aditya Birla Finance Limited									
58	March 30, 2021	3000.00	2871.23	2850.00	April 01, 2026	Monthly	1% plus applicable taxes	2% p.a. over and above the rate for the last draw down or Rollover of facility on entire	Exclusive charge on receivables less than 30DPD to the

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
								principal/ payable interest on delay in repayment of principle/Interest/ charges.	extent of 1.10x.
Utkarsh Small Finance Bank Limited									
59	December 31, 2020	2500.00	2019.07	2031.25	December 31, 2024	Monthly	<ul style="list-style-type: none"> • Within 12 months: with payment of prepayment penalty of 1.0% on principal amount of the loan prepaid; • After 12 months: If revised rate > 9.75%, then complete waiver of prepayment penalty • After 12 months: If revised rate <= 9.75%, then with payment of prepayment penalty of 0.50% on principal amount of the loan prepaid. 	Default interest @ 2% shall be levied on the outstanding principal in addition to normal interest rate. Further interest @ 2% over the documented rate on defaulted amounts of interest shall be levied from the due date till such time the overdue amount is paid and compounded on quarterly rests, on June 30, September 30, December 31 and March 31 of each year	Exclusive charge on specific book debts to the extent of 1.10x of the receivables.
CSB Bank Limited									
60	September 29, 2021	2500.00	2493.78	2499.99	September 29, 2026	Monthly	Prepayment penalty will be levied at the rate of 2% p.a. on the difference between ideal balance (computed as per the repayment schedule as per terms of sanction of the loan) and the actual balance from the date of prepayment to till the due date of payment.	Penal charges will be levied at the rate of 1% p.a. on the term loan balance outstanding for the delayed period.	Exclusive charge on specific receivables of the company, with an asset cover of 1.10x of the loan outstanding. The receivables portfolio hypothecated to the Bank shall include only principal components (excluding interest) of
61	February 29 2021	2500.00	2229.13	2249.74	February 29, 2026	Monthly			

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
									standard assets.
LIC Housing Finance Limited									
62	March 31, 2021	20000.00	4969.10	5000.00	September 01, 2031	Monthly	Prepayment Charges 2.00% of Amount prepaid Before 03 Year 0.50% of Amount prepaid Within 03 to 05 Years After 5 years no charges applicable	If interest and/or Loan instalment/s due/s are defaulted/delayed, Additional Interest @ Rate of Interest as applicable + 2 % p.a., Compounding monthly, on the amount Due (Calculated from Due Date till Date of Payment) will become payable.	First and exclusive charge by way of hypothecation over the receivables of M/s. India Shelter Finance Corporation Limited which are not less than 110% of outstanding amounts of the line of credit, including receivables of loans disbursed from proceeds of the line of credit, other receivables not charged in favour of any lender and the amounts lying in the escrow account. Timelines for security perfection is 30 days from the date of first disbursement . Full security needs to be ensured before onward lending, so as to confirm that at no point of time any amount of loan would remain unsecured.

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
									The security cover for the aforesaid security cannot fall below 110% of outstanding amounts of the line of credit at any time. The specific details of the security cover and the details of the receivables of loans disbursed from proceeds of the line of credit as well as details of other hypothecated assets as aforesaid are to be provided on regular/ periodic basis.
SBM Bank (India) Limited									
63	March 20, 2021	2000.00	1985.23	1999.98	March 31, 2026	Monthly	Pre-payment penalty of 2.0% on the prepaid amount on any other dates apart from reset date.	2% p.a. over and above contracted rate on the amount of default on the non-compliance of: <ul style="list-style-type: none"> • submission of audited financials as on 31st march every year; • Non-compliance of other sanction terms; • Non-payment of interest or instalment on due date; and • Non security of security. 	Exclusive charge on receivables pertaining to the standard assets' portfolio for bank finance subject to a minimum cover of 1.10 times at all times. A demand promissory note and a letter of continuity.
Karnataka Bank									
64	March 31, 2021	3000.00	2776.24	2799.82	January 31, 2024	Monthly	2% will be charged only in case of takeover of	1% for non-submission of AFS of the company every	Exclusive/sp ecific charge on the standard

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
							liabilities by other banks	year by the end of December. 2% will be charged for excess drawings/TOD/adhoc limit/overdue instalments/interest. EMI bouncing charges of Rs.500/- per occasion for delayed payments of EMI.	receivables/book debts of the company subject to maintenance of security coverage of 110% of the outstanding balance at all times.
Tata Capital Financial Services Limited									
65	April 05, 2021	4000.00	2234.81	2239.58	April 05, 2025	Monthly	1% on amount prepaid	2% over and above nominal interest rate shall be charged in case of delayed payment on principal or interest or monies payable under the loan agreement	First and exclusive charge over specific loan assets of borrower (with NIL overdues) by way of hypothecation/assignment in favour of the lender with minimum security cover of 1.10x.
South Indian Bank									
66	September 30, 2021	2500.00	1492.05	1500.00	September 22, 2028	Quarterly	Payment/Closure by own funds/ Takeover by other Banks/FIS: 2% throughout the period	2% will be charged as per rules for any defaults or non-compliance of any of the sanction's stipulations. Charged in the event of limit being not renewed within 84 months. Limit to be renewed reviewed within 84 months lest 2% penal interest to be charged.	Book Debts - Exclusive charge on book debts to the extent on 1.1x of the outstanding loan value extended by SIB Zero DPD and non-Restructured assets only shall be charged to us.
Au Small Finance Bank									
67	January 30, 2021	1500.00	1330.18	1324.99	January 03, 2026	Monthly		Breach of below covenants during	

Sr. No.	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS)(₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule	Prepayment Clause	Penalty Clause	Security
68	January 29, 2019	5000.00	2850.07	2833.36	July 03, 2024	Monthly	<ul style="list-style-type: none"> • First 12 months from loan disbursement 2% of the Principal Amount • Next 12 months post first 12 months, 1% of the Principal Amount, • 0.50% of the principal outstanding for Balance tenure of the Loan. 	<p>the entire tenor of this facility shall attract an additional penal rate of 2% p.a. compounded monthly on the principal outstanding till default continues: -</p> <ul style="list-style-type: none"> • Non-submission of stock statement as per the stipulated margin within 30 days from the end of the quarter. • Company shall provide the required data within 30 days from the end of quarter on regular basis till the end of the facility. • TOL/NOF not to be more than 3.5 times. • Capital Adequacy ratio shall not fall below 20%. • Gross NPA shall not exceed 6% till March 21 and 4% thereafter • Net NPA shall not exceed 2% If Interest and/or principal instalments due are defaulted/delayed, penal interest @24% p.a., compounded monthly, for defaulted/delayed period. 	Exclusive hypothecation of present & future loan receivables (Net of Financial Charges, NPA, other charges, etc.) to be created upfront through Deed of Hypothecation/Deed of adherence or any such document required to create charge on requisite assets. Security Margin - 110% for the loan principal outstanding during the currency of the loan.

Events of Default under Term Loan:

The occurrence or likely occurrence of any of the following events and/or circumstances (in the sole decision of the Bank) shall constitute event(s) of default ("Event(s) of Default"):

- (a) the Borrower commits any default in the payment of the Loan Obligations or any amount due or any part thereof and such default is not cured within period of 7 (seven) days to the satisfaction of the bank;

- (b) any Obligor commits any default in the payment of any amount to any person when due or any person demands repayment of the loan or dues of the Obligors ahead of its repayment terms or a moratorium is declared in respect of any indebtedness of the Obligors;
- (c) the Borrower and/or any of the other Obligors defaults in performing any of its obligations under this Agreement or any of the Financing Documents or breaches any of the terms or conditions of this Agreement or any other Financing Documents;
- (d) the Obligors default in performing any of their respective obligations under any agreement between the Obligors and the Bank (excluding the Financing Documents) or between Obligors and any third party;
- (e) any notice / action in relation to actual or threatened liquidation/ dissolution/ bankruptcy/ insolvency/ceasing to carry on business of Borrower / any Obligor (voluntary or involuntary);
- (f) if the Borrower and/or any of the other Obligors changes or threatens to change the general nature or scope of the business;
- (g) any of the information provided by the Borrower is incorrect or untrue;
- (h) failure by the Borrower and/or any of the other Obligors to create and perfect Security as stipulated in the Agreement;
- (i) any of the Security Documents fails to create the Security Interest or fails to have the priority as stipulated or ceases to be in full force and effect;
- (j) if any circumstance or event occurs which is or is likely to prejudice, impair, imperil, depreciates or jeopardise any security or any part thereof;
- (k) the value of the any security depreciates entitling the Bank to call for further security and failure of the Borrower and/or any of Security Providers to provide such additional security;
- (l) upon occurrence of any event that has a Material Adverse Effect;
- (m) the Borrower and/or any of the Security Provider fails to create the security as provided herein accordance with the terms of this Agreement;
- (n) appointment of Receiver in respect of the property/assets of the Obligors or if any attachment, distress, execution or other process against the any of the Obligors, or any of the Security Interest* is enforced or levied upon by any third party (if applicable);
- (o) if the Loan or any part thereof is utilised for any purpose other than the purpose for which it is applied by the Borrower and sanctioned by the Bank;
- (p) if the Borrower and/or any of the Security Providers, attempts or purports to create any Security Interest (other than as permitted under the Financing Documents) over any of its assets which are charged in favour of the Bank;
- (q) there is any change in the control of The Obligors (directly or indirectly) without the prior consent of the Bank;
- (r) if the Borrower fails to furnish to the Bank detailed end use statement of the Loan as and when so required by the Bank within the time prescribed by the Bank;
- (s) any of the Financing Documents ceases to exist, to be valid, effective, enforceable or is terminated in a manner not in accordance with the terms of that Financing Document;
- (t) any action, arbitration, administrative, governmental, regulatory or other investigations, proceedings or litigations are commenced or threatened against the Borrower and/or any of the Security Providers or any of their assets which has or could reasonably be expected to have a Material Adverse Eff : and
- (u) any person makes or threatens to make any application under the Insolvency and Bankruptcy Code, 2016 and/or any notice is received in relation to the same with respect to an application for a default amounting 10 Rs 1 Crore & above.

The occurrence likely occurrence of any of the following event or circumstances in the sole decision of the Bank shall constitute events of default:

1. The borrower commit any Default in the payment
2. Any obligor commits any default in the payment of any amount to any person when due of any person
3. Default in performing its obligation.
4. Default in performing any of their respective its obligation.
5. Any notice/action in relation to actual or threatened to carry on business of borrower.
6. incorrect information provided by obligator.
7. if security document fails to create security

Working Capital Demand Loans and Cash Credit facilities from Banks:

The total sanctioned amount of working capital demand loans and cash credit facility availed from banks as on September 30, 2021 is ₹ 1100.5 lakh, the amount outstanding (as per Ind-AS) of working capital demand loans and cash credit facility as on September 30, 2021 is ₹ 0, and the principal amount outstanding of working capital

demand loans and cash credit facility as on September 30, 2021 is ₹ 0. The details of the working capital demand loans and cash credit facilities are set out below:

Sr. No.	Lender Name	Facility	Date of Disbursement / Sanction	Sanctioned Amount (₹ in lakh)	Amount Outstanding (As per Ind-AS) (₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule
1.	Federal Bank	Overdraft Facility	July 19,2021	0.50	--	--	July 28,2022	Lumpsum-
2.	HDFC Bank	Overdraft Facility	July 12, 2021	1000.00	-	-	-	Overdraft – on demand WDCL – 180 DAYS
3.	Yes Bank	Overdraft Facility against Fixed Deposit	July 20, 2021	100.00	-	-	-	-

Security for the above working capital demand loans and cash credit facilities

- 105% Fixed deposit maintained with Federal bank

Events of Default under our working capital demand loans and cash credit facilities:

- 1) If the company does not pay any sum payable under the facilities when due.
- 2) If company does not perform or comply with any of its obligation or terms and conditions under the facility or
- 3) Any representation, warranty or statement made or deemed to be made or repeated pursuant to this letter or in any notice, certificate of statement referred herein or delivered hereunder is or proved to be incorrect or misleading in any matter, or
- 4) Cross default:
 - a. Any indebtedness of the borrower becomes due prior to its stated maturity by reason of default of terms thereof by the borrower or any such indebtedness if not paid at its stated maturity and such default, in the opinion of the bank, will have a material adverse affect on the credit facility.
 - b. If there is default, an event of default or other similar condition or event, or a potential event of default which with a lapse of time or giving notice , may become an event of default under one or other agreement or instruments entered between the:
 - i. Bank and the customer
 - ii. Bank and any of the customers associated companies
 - iii. the customers associated companies with any of its lenders
 - iv. company and any other lender
- 5) Jeopardization of Security
- 6) Fraud by the company with Lender

Secured Non-Convertible Debentures

Our Company has issued secured redeemable non-convertible debentures of which ₹1,3084.29 lakh (as per Ind-AS) is outstanding as on September 30, 2021, the details of which are set forth below:

Particulars	Amount (₹ in lakh)
Non-Convertible Debentures dated June 12,2020	1,500.00
Rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures dated June 21,2021	5,000.00
Secured, rated, listed, redeemable, non-convertible debentures dated August 31, 2021	3,000.00
Secured, rated, listed, redeemable, non-convertible debentures dated September 15,2021	3,500.00

Redemption date represents actual maturity and does not consider call/put option, except as stated below:

Sr. No.	Description (ISIN)	Tenor (in years)	Coupon Rate (%)	Amount Outstanding (As per Ind-AS) (₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Date of Allotment	Date of Redemption	Latest Credit Rating	Interest Payment Frequency	Repayment Schedule
1	INE922K07054	3 years	10.25%	1,503.52	1,500.00	June 14,2020	June 12, 2023	ICRA A	Annually and on maturity	On redemption date/maturity date along with accrued interest, if any.
2	INE922K07062	2 years, 6 months and 5 days	8.68%	5,037.44	5,000.00	June 22,2021	December 27, 2023	PP-MLD-AAA [ICRA] (CE) (Stable)	Interest payable on maturity or exercise of call option	Call option date: December 22, 2023 Redemption Date: December 27, 2023
3	INE922K07070	5 years	8.75%	3,000.00	3,000.00	August 31,2021	August 31, 2026	ICRA A	Monthly	On Redemption Date
4	INE922K07088	10 years	8.88%	3,543.01	3,500.00	September 15,2021	September 15, 2031	[ICRA] AAA(CE)	Annually	On Call Option or on Redemption date

Security for Secured Non-Convertible Debentures:

Primary Security

- Exclusive first charge floating via a deed of hypothecation over specific standard asset portfolio of receivables.
- On a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the debenture holders).
- Revaluation and replacement of Security: The Company's receivables provided as Security shall be current. If a company's receivables become delinquent over 60 days, such receivables shall be replaced within 30 days.

Minimum Security Cover of 1.10 times to be maintained on the outstanding NCD amount of the Debentures at all times during the tenure of NCDs.

Penalty Clause to all Secured Non-Convertible Debentures:

- If, at any time, a payment Default occurs, the company agrees to pay additional interest at the rate of 3% per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures from the date of occurrence of such a payment default until such payment default is cured or the debentures are fully redeemed.

- If the company fails to execute the Debenture Trustee Deed and Deed of Hypothecation on or before the expiry of 30 days from the respective Issue Closure Date, then the company shall, at the option of the Debentures Holders, either (i) return the Subscription amount with the agreed rate of Interest or (ii) pay additional interest at the rate of 2% per annum over and above applicable Coupon Rate on all amounts Outstanding under the NCDs from the Issue Closure date until such time the deed is executed and the conditions prescribed by Debenture Holders have been complied with.
- If, at any time, a breach of terms, covenant, representation or warranty of the Issuer and any other obligation of the Issuer under the Transaction documents, which have not been cured within the agreed timeline, the Issuer agrees to pay additional coupon rate at the rate of 2% per annum over and above the applicable coupon rate on all amounts outstanding under the relevant series of Debentures from the date of occurrence of such a breach, until the debentures are fully redeemed or till the covenants criteria has been replenished.

Details of rest of the secured borrowings (if any, including but not limited to, hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on September 30, 2021:

Nil

External commercial borrowings of the Company:

Nil

Other Secured Borrowings

Nil

Details of Unsecured Loan Facilities:

Nil

Perpetual Debt

Nil

Commercial Papers

Nil

Details of corporate guarantees

Inter-Corporate Deposits:

Our Company has not borrowed any amount by way of inter-corporate deposits. Mr. Anil Mehta has given personal guarantee with respect to term loans availed by Issuer Company. Details of the same mentioned in the above term loan table.

Inter-Corporate Loans:

Our Company has not borrowed any amount in the nature of demand loans from companies under same management.

Loan from Directors and Relatives of Directors:

Our Company has not taken any loan from Directors or relative of Directors.

Restrictive Covenants under our Financing Arrangements:

Many of our financing arrangements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, inter alia, is required to obtain the prior written consent or intimation, as the case may be, in the following:

- To create or permit to submit any charge, pledge, lien or other encumbrances over the receivables in favour of any other party/person if it breaches the asset cover of the facility;
- To transfer, encumber, charge, pledge, hypothecate or mortgage the receivables in respect of the identified loans if it breaches the asset cover of the facility;
- Effect any scheme of amalgamation or reconstitution;
- To invest or lend money except in the ordinary course of business or act as surety or guarantor;
- To transfer, encumber, charge, alienate its movable/ immovable assets (both present and future) in any manner whatsoever which materially or substantially affect the business or interest and other money, etc.; this covenant is specific to the security charged to respective lender

- vi. To enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise accept deposit if it breaches the asset cover of the facility;
- vii. To permit any merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- viii. To permit any transfer of the controlling interest of promoters/ directors/ partners or make drastic change in the management set up;
- ix. To pay dividend other than out of the current year's earnings after making the due provisions applicable only in the event of default;
- x. To give guarantee on behalf of third parties except in the ordinary course of business;

Events of Default under our Financing Arrangements:

Already mentioned

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities:

Our Company has not defaulted upon or delayed in payment of any interest and/or principal for the existing term loan, the non-convertible debentures and other financial indebtedness. The Company has not issued any corporate guarantee.

Details of any outstanding borrowing 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 does not have any outstanding borrowing taken/ debt securities issued that are (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

The total amount of loans and advances from related parties (ICDs) outstanding as of September 30, 2021:

Our Company does not have any related parties.

List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on September 30, 2021:

Sr. No.	Name of Debenture Holder	Amount (₹ in lakh)	% of non-convertible securities outstanding
1	AU Small Finance Bank Limited	3,000.00	23.08%
2	Navi General Insurance Limited - Policyholders Fund	3,000.00	23.08%
3	Bank of Maharashtra	1,500.00	11.54%
4	Kairus Dadachanji	700.00	5.38%
5	Navi General Insurance Limited - Shareholders Fund Not Representing Solvency Margin	500.00	3.85%
6	Microland Limited	500.00	3.85%
7	Netejyata Bansal	500.00	3.85%
8	Rohit Kapadia	400.00	3.08%
9	Ramesh Laxman Mengawade	400.00	3.08%
10	Medico Electrodes International Ltd	300.00	2.31%

OUTSTANDING LITIGATIONS

Our Company, Directors and Promoter are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) civil suits (b) criminal complaints, (c) consumer complaints, (d) business operations related litigations. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation including, suits, criminal or civil prosecutions and taxation related proceedings against our Company, Directors and Promoters that would have a material adverse effect on our operations or financial position.

For the purposes of above, our Asset Liability Committee in its meeting held on December 23, 2021, has considered and adopted a policy of materiality for identification of material litigation, for the purpose of the present issue of NCD. In terms of materiality policy, any outstanding litigation:

- a. involving our Company, in which the aggregate monetary claim by or against our Company exceeds the lower of one percent of the total income or net worth for Fiscal 2021 has been considered material. The total income of our Company for financial year 2021 is ₹ 32,279.83 lakhs and net worth for financial year 2021 is ₹ 93,726.96 lakhs. Accordingly, all litigation involving monetary amount of claim exceeding ₹ 322.80 lakhs has been considered as material;
- b. involving our Company, in which the aggregate monetary claim by or against our Company which are similar in nature, exceeds the lower of ten percent of the total income or net worth for Fiscal 2021 has been considered material. The total income of our Company for financial year 2021 is ₹ 32,279.83 lakhs and net worth for financial year 2021 is ₹ 93,726.96 lakhs. Accordingly, all litigation which are similar in nature and involving monetary amount of claim exceeding ₹ 3,227.98 lakhs has been considered as material;
- c. involving our Directors, irrespective of the amount involved in such litigation, has been considered as material; and
- d. involving our Promoter, in which the aggregate monetary amount of claim by or against our Promoter exceeds an amount equivalent to one percent of the consolidated income or net worth for the Fiscal 2021 has been considered as material.

Save as disclosed below, there are no:

1. outstanding civil or tax proceedings involving the Company, Directors and Promoter in which the pecuniary amount involved is in excess of the Materiality Threshold.
2. outstanding actions initiated or show-cause notices issued by regulatory authorities such as SEBI or RBI or the Stock Exchanges or Ministry of Corporate Affairs, Registrar of Companies or any other such similar authorities, involving the Company, Directors and Promoters.
3. outstanding criminal proceedings filed by or against the Company, Directors and Promoters.
4. defaults in or non-payment of any statutory dues by the Company.
5. litigations or legal actions pending or taken against the Promoter by a Government department or a statutory body during the last three years immediately preceding the year of this Issue.
6. inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies' law in the last three years immediately preceding the year of this Issue against the Company 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 this Issue for the Company.
7. outstanding litigation involving our Company, Directors, Promoter, or any other person, whose outcome could have material adverse effect on the position of the Company, or which may affect the Issue or an investor's decision to invest in the Issue.
8. pending proceedings initiated against the Company for economic offences.
9. material frauds committed against the Company in the last three years preceding the date of this Issue and actions taken by the Company in this regard.

I. Involving the Company

➤ Against the Company

A. Criminal Proceeding

NIL

B. Civil Proceedings

NIL

Material Tax proceedings

The following tax proceedings are pending against the Company:

i. Direct Tax

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount has not been mentioned and cannot be crystallised:

Assessment Year	Proceeding Name
2013-2014	Assessment Proceeding u/s 147
2017-2018	Penalty Proceeding
2017-2018	First Appeal Proceedings
2017-2018	Issue Letter
2017-2018	Notice u/s 142(1)
2017-2018	Adjustment u/s 143(1)(a)
2019-2020	Adjustment u/s 143(1)(a)
2018-2019	Assessment Proceeding u/s 143
2019-2020	Issue Letter
2019-2020	Adjustment u/s 143(1)(a)
2019-2020	First Appeal Proceedings
2020-2021	Assessment Proceedings u/s 143(3)
Not Available	Issue Letter
Not Available	Issue Letter

ii. Income Tax:

As per the website of Income Tax Department for outstanding tax demand following default in the payment of Income Tax by the Company are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in rupees)	Final Interest/ Accrued Interest (in rupees)
2017	143(3)	2019201737086290813C	December 25, 2019	3,56,18,776	8,30,232
Total				3,56,18,776	8,30,232

iii. Tax Deducted at Source (TDS)

Sr. No	Financial Year	Total Default (in rupees)
1.	Prior Years	26,520
2.	2019-2020	7,550
Total		34,070

Statutory and Regulatory proceedings

NIL

➤ **By our Company**

A. Criminal Proceedings

Material Frauds

Details of acts of material frauds committed against the Company in the last 3 (Three) years and the action taken by the Company are as follows:

Loan No.	Sanctioned Amount	Sanction Date	Disbursement Amount	Total Outstanding as on date (in rupees)	Type of Fraud	Status	Customer Name
HL2600000156	20,00,000	March 30, 2017	20,00,000	19,82,395	Document Forgery and falsification of property paper Mrs. Poonam Sharma w/o Deepak ("Customer") had prepared two original property papers for the same property bearing different document numbers, which were then mortgaged to our company and one other HFC.	Case filled in the Court of Additional Chief Judicial Magistrate-III, Civil Court, Agra . Accused in jail.	Poonam Sharma Deepak Sharma Anul Sharma Amit Sharma Pawan Solanki
HL48CHLONS000005000109	10,00,000	January 12, 2019	5,00,000	5,00,000	False Facts on the SORP	Ongoing investigation	Parveen Bano
HL48CHLONS000005000107	14,43,337	January 16, 2019	13,33,333	17,69,282	Fraud and Forgery	Ongoing investigation	Nihar Parveen
LA11CLLONS000005024245	6,20,000	November 18, 2020	6,20,000	5,30,000	Loan applied and received with an intention of fraud by presenting another person as loan applicant's father who in the actual case passed away in 2018.	Case filled in the Court of Judicial Magistrate , Ist Class, District Court, Sonipat, Haryana. Accused out on Bail.	Pooja

Loan No.	Sanctioned Amount	Sanction Date	Disbursement Amount	Total Outstanding as on date (in rupees)	Type of Fraud	Status	Customer Name
HL2000002521	4,00,000	September 01, 2016	4,00,000	3,79,018	Misappropriation and criminal breach of trust. Accused sold the mortgaged property to a third party	Charge Sheet has been filed.	Surekha w/o Jitendra Khobragade
HL44SHLON S000005013614	12,49,000	July 28, 2020	12,49,000	12,28,180	Document Forgery	FIR has been filed.	1. Rupali Lakhe 2. Pradeep Devravji Vairagade 3. Manoj Devidas Harne

B. Civil Proceedings

NIL

C. Notices issued by the Company for recovery of loans

NIL

D. Proceedings under Section 138 of Negotiable Instruments Act

- 1) Our Company has filed 34 complaints under Section 138 of Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued in its favour which are currently pending at different stages of adjudication before Gurgaon District Court, Haryana.

The aggregate amount involved in these matters, to the extent identifiable and determinable on basis of details available, is approx. ₹1,40,01,623/-. The said cases are currently pending before the Hon'ble Court.

- 2) Our Company has filed 2 complaints under Section 138 of Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued in its favour which are currently pending at different stages of adjudication before Saket District Court, Delhi.

The aggregate amount involved in these matters, to the extent identifiable and determinable on basis of details available, is approx. ₹11,923/-. The said cases are currently pending before the Hon'ble Court.

II. Involving our Promoter

Except as disclosed below, there are no other proceedings against our Promoter:

A. Criminal proceedings

NIL

B. Material Civil proceedings

NIL

C. Material Tax proceedings

NIL

D. Statutory and Regulatory proceedings

NIL

III. Involving our Directors other than Promoter

Except as disclosed below, there are no other proceedings against our Directors, other than Promoters:

A. Criminal proceedings

NIL

B. Material Civil proceedings

NIL

C. Material Tax proceedings

The following tax proceedings are pending against the Directors:

i. Direct Tax

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount has not been mentioned and cannot be crystallised:

Assessment Year	Proceeding Name	Proceeding Status
Sudhin Bhagvandas Chowksey		
2020-2021	Adjustment u/s 143(1)(a)	Pending
Not Available	Recovery Process	Open

ii. Income Tax:

As per the website of Income Tax Department for outstanding tax demand following default in the payment of Income Tax by our Directors are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	Outstanding Demand (in rupees)	Final Interest/ Accrued Interest (in rupees)
Sudhin Bhagvandas Chowksey*					
2003	143(3)	2009200351038948771T	November 22, 2003	469	228
2012	143(1)(a)	2013201237047139672T	January 19, 2014	17,050	-
Rupinder Singh**					
2007	143(1)	2011200751107140250T	March 27, 2009	97,418	43,127
Total				1,14,937	43,335

* Mr. Sudhin Bhagvandas Chowksey has filed an online reply to the Income Tax Authority against the outstanding demand and has appeared before an A.O. for the correction of the same. However, no order has been made till date.

**Mr. Rupinder Singh is in the process of filing a reply to the Income Tax Authority against the outstanding demand appearing on the website claiming the amount to be an error.

D. Statutory and Regulatory proceedings

NIL

MATERIAL DEVELOPMENTS

No other material developments have taken place in our Company since March 31, 2021, i.e. the last audited financial statements, till the date of filing this Draft Prospectus, except the amounts borrowed by our Company for onward lending in the ordinary course of business. Further, no equity shares have been allotted by our Company since March 31, 2021, except as disclosed under the chapter “Capital Structure” on page 42 of the Draft Prospectus.

Further, since the last financial statements for September 30, 2021 disclosed in the Draft Prospectus, our Company has raised following funds in the ordinary course of business:

Sr. No.	Banks	Date of Sanction	Sanctioned Amount (Rs. in lakhs)	Date of Disbursement	Disbursement Amount (Rs. in lakhs)
1	Tata Capital Financial Services Limited	March 10, 2021	4,000	October 20, 2021	1,500
2	Yes Bank Limited	September 15, 2021	3,000	November 16, 2021	2,930
3	Indian Bank	September 27, 2021	2,400	October 27, 2021	2,400
4	Suryoday Small Finance Bank Limited	October 27, 2021	2,000	October 30, 2021	2,000
5	Canara Bank	October 31, 2021	5,000	November 30, 2021	5,000
6	Nippon India Mutual Fund	November 22, 2021	5,000	November 23, 2021	5,000
Total			21,400		18,830

ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in “Terms of the Issue” on page 174 of this Draft Prospectus.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Debt Listing Agreement, SEBI LODR Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Prospectus, the Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

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

Issuer	India Shelter Finance Corporation Limited
Lead Manager	Sundae Capital Advisors Private Limited
Debenture Trustee	Catalyst Trusteeship Limited
Registrar to the Issue	Skyline Financial Services Private Limited
Type of instrument/ Name of the security/ Seniority	Rated, Secured, Senior, Listed, Transferable, Redeemable Non-Convertible Debentures (“NCDs”).
Nature of the instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Eligible investors	Please refer to “Issue Procedure” on page 190
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	<p>(a) The Company shall submit all duly completed documents to the Stock Exchange(s), SEBI, the ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the NCDs within the timelines prescribed under the SEBI Listing Timelines Requirements (“Listing Period”).</p> <p>(b) The Company shall ensure that the NCDs are listed on the debt market segments of the Stock Exchange(s), and continue to be listed on the Stock Exchange(s) until the Final Settlement Date. BSE shall be the designated stock exchange in respect of the NCDs.</p> <p>(a) In the event of failure to obtain the listing of the NCDs within the timelines specified in the SEBI Operational Circular (“Scheduled Listing Date”), the Application Money received or blocked, in relation to the Issue shall be refunded or unblocked forthwith within 2 (two) Business Days from Scheduled Listing Date to the Applicants through the permissible modes of making refunds and unblocking of funds.</p> <p>(b) In case of any delay in providing refund/unblocking of the Application Money beyond the timelines specified under sub-paragraph I above, the Company shall pay interest at the rate of 15% (fifteen percent) per annum to the Applicants from the Scheduled Listing Date until the date of actual refund/unblocking of the Application Money.</p>
Rating of the Instrument	ICRA A (Outlook: Stable) by ICRA Limited
Issue Size	Public Issue of Rated, Secured, Senior, Listed, Transferable, Redeemable Non-Convertible Debentures of Face Value of ₹1,000 each for an amount of ₹ 5,200 lakhs (Base Issue Size)

	<p>with an option to retain oversubscription of upto ₹ 4,800 lakhs, aggregating to ₹10,000 lakhs.</p> <p>The NCDs will be issued in 3 series such that series II and series III shall be allotted for a maximum value of ₹ 4,000 lakhs</p>
Minimum subscription	<p>In the event the minimum subscription in respect of the NCDs as set out in this Draft Prospectus is not received, the blocked Application Money shall be unblocked forthwith, and in any case, no later than 8 (eight) Business Days from the "Issue Closing Date" or such other time period as may be prescribed by the SEBI.</p> <p>If such Application Money is not unblocked within the time period set out in sub-paragraph (a) above, the Company shall pay interest at the rate of 15% (fifteen percent) per annum for the period of delay.</p>
Option to retain Oversubscription Amount	In accordance with Regulation 42 of the SEBI NCS Regulations and the corporate authorisations of the Board, the Company has the option to retain over-subscription up to ₹ 4,800 lakhs, such that the aggregate issue of the NCDs does not exceed ₹ 10,000 lakhs
Objects of the Issue / Purpose for which there is requirement of funds	Please refer to "Objects of the Issue" on page 49.
Details of utilisation of the proceeds	Please refer to "Objects of the Issue" on page 49
Coupon / Interest Rate	<p>The coupon/Interest Rate applicable on the NCDs is as follows:</p> <p>(a) Series I: 8.93% (eight decimal nine three percent) per annum compounded monthly (9.29% (nine decimal two nine percent) XIRR) (fixed).</p> <p>(b) Series II: 9.25% (nine decimal two five percent) per annum compounded monthly (9.64% (nine decimal six four percent) XIRR) (fixed).</p> <p>(c) Series III: 9.29% (nine decimal two nine percent) per annum compounded monthly (9.69% (nine decimal six nine percent) XIRR) (fixed).</p>
Step Up/Step Down Coupon Rate	N. A
Coupon/Dividend Payment Frequency	<p>Series I: Compounded monthly payable annually.</p> <p>Series II: Compounded monthly payable annually.</p> <p>Series III: Compounded monthly payable annually.</p>
Coupon / Interest payment dates	<p>Series I: Compounded monthly payable annually.</p> <p>Series II: Compounded monthly payable annually.</p> <p>Series III: Compounded monthly payable annually.</p> <p>The indicative interest payment dates will be set out under Annexure I of the Draft Prospectus.</p>
(Cumulative / non cumulative, in case of dividend)	N. A
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N. A.
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.

Interest on application money	N.A.
Default interest rate	On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum over the relevant Interest Rate in respect of the relevant NCDs on the relevant Outstanding Principal Amounts from the date of the occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.
Tenor	(a) Series I: 36 (thirty six) months from the Deemed Date of Allotment. (b) Series II: 48 (forty eight) months from the Deemed Date of Allotment. (c) Series III: 60 (sixty) months from the Deemed Date of Allotment.
Redemption Date	(a) Series I: The date occurring on expiry of 36 (thirty six) months from the Deemed Date of Allotment, and as set out under Annexure I of the Draft Prospectus. (b) Series II: The date occurring on expiry of 48 (forty eight) months from the Deemed Date of Allotment, and as set out under Annexure I of the Draft Prospectus. (c) Series III: The date occurring on expiry of 60 (sixty) months from the Deemed Date of Allotment, and as set out under Annexure I of the Draft Prospectus.
Redemption Amount	The NCDs shall be fully redeemed on a <i>pari passu</i> basis by the Issuer in accordance with Annexure I of the Draft Prospectus.
Redemption premium/ discount	Nil
Issue Price (in ₹/NCD)	₹1,000 (Indian Rupees One Thousand) per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Put date	Not applicable
Put price	Not applicable
Call date	Not applicable
Call price	Not applicable
Put notification time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not applicable
Call notification time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not applicable
Face value (in ₹ / NCD)	₹ 1,000 (Indian Rupees One Thousand) per Debenture
Minimum Application size and in multiples of NCD thereafter	10 (ten) NCDs (aggregating to ₹ 10,000 (Indian Rupees Ten Thousand)), and 1 (one) Debenture thereafter
Issue Timing	
Issue opening date	Please refer the Section named "Issue Schedule" of the Draft Prospectus.
Issue closing date**	Please refer the Section named "Issue Schedule" of the Draft Prospectus.

Date of earliest closing of the issue, if any.	Please refer the Section named "Issue Schedule" of the Draft Prospectus.
Pay-in date	Please refer the Section named "Issue Schedule" of the Draft Prospectus.
Deemed date of Allotment	Please refer the Section named "Issue Schedule" of the Draft Prospectus.
Settlement mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar.
Depositories	NSDL and CDSL
Disclosure of Interest/Dividend / redemption dates	Please refer Annexure I of the Draft Prospectus
Record date	<p>The record date for payment of interest in connection with the NCDs or redemption of the NCDs, which shall be 15 (Fifteen) 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 / Asset Liability Management Committee from time to time in accordance with the applicable law. In case of redemption of NCDs, the trading/transferability in the NCDs shall remain suspended between the relevant Record Date and the respective date of redemption.</p> <p>In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.</p>
All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p>The detailed covenants and other terms in respect of the NCDs will be more particularly set out in the Debenture Trust Deed and the other Transaction Documents.</p> <p>The Company shall comply with each of its representations and warranties, financial covenants, reporting covenants, the affirmative covenants and the negative covenants, which will be more particularly set out in the Debenture Trust Deed. These include (but are not limited to), inter alia, the following:</p> <p>REPRESENTATIONS AND WARRANTIES</p> <p>(a) Status: Representation and warranty in respect of, <i>inter alia</i>, the Company being incorporated, registered and validly existing under Applicable Law and registered as a housing finance company registered with the RBI/NHB.</p> <p>(b) Binding obligations: Representation and warranty in respect of, <i>inter alia</i>, the obligations assumed by it under the Transaction Documents being legal, valid, binding and enforceable.</p> <p>(c) Non-conflict with other obligations: Representation and warranty in respect of, <i>inter alia</i>, it's entry into and performance by it of, and the transactions contemplated by the Transaction Documents not conflicting with Applicable Law, its Constitutional Documents, or any agreement or instrument binding upon the Company.</p> <p>(d) Power and authority: Representation and</p>

	<p>warranty in respect of, <i>inter alia</i>, the power and authority of the Company to enter into, perform and deliver the Transaction Documents and issue the NCDs.</p> <p>(e) Validity and admissibility in evidence: Representation and warranty in respect of, <i>inter alia</i>, the approvals, authorizations, consents, permits (third party, statutory or otherwise) in respect of the Issue and its business activities.</p> <p>(f) No default: Representation and warranty in respect of, <i>inter alia</i>, no Event of Default or potential Event of Default being occurred or continuing.</p> <p>(g) Ranking: Representation and warranty in respect of, <i>inter alia</i>, the ranking of the payment obligations of the Company under the Transaction Documents.</p> <p>(h) No proceedings pending: Representation and warranty in respect of, <i>inter alia</i>, no legal proceedings being commenced or threatened against the Company, which if determined adversely, may have a Material Adverse Effect.</p> <p>(i) No misleading information: Representation and warranty in respect of, <i>inter alia</i>, no misleading information being provided by the Company.</p> <p>(j) Compliance: Representation and warranty in respect of, <i>inter alia</i>, compliance with all Applicable Law.</p> <p>(k) Assets: Representation and warranty in respect of, <i>inter alia</i>, the Assets of the Company.</p> <p>(l) Financial statements: Representation and warranty in respect of, <i>inter alia</i>, the audited financial statements of the Company.</p> <p>(m) Solvency: Representation and warranty in respect of, <i>inter alia</i>, the Company being solvent and absence of any insolvency/winding up proceedings.</p> <p>(n) Hypothecated Assets: Representation and warranty in respect of, <i>inter alia</i>, the Hypothecated Assets.</p> <p>(o) Material Adverse Effect: Representation and warranty in respect of, <i>inter alia</i>, the absence of a Material Adverse Effect.</p> <p>(p) Illegality: Representation and warranty confirming, <i>inter alia</i>, it is not unlawful or illegal for the Company to perform any of its obligations under the Transaction Documents.</p> <p>(q) No filings or stamp taxes: Representation and warranty in respect of, <i>inter alia</i>, filing and stamp taxes/duty required to be made in respect of the Transaction Documents.</p> <p>II. FINANCIAL COVENANTS The financial covenants applicable on the Company will be set out in detail in the Debenture Trust Deed, and will include (but not limit) the following:</p> <p>(a) Minimum capital ratio of Tier I Capital and Tier II Capital to aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items shall not be less than 25 % (Twenty Five per cent) or as per the regulatory minimum prescribed by the Reserve Bank of India</p>
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	<p>under the NBFC Master Directions, whichever is higher.</p> <p>(b) PAR>90 shall not exceed 5% (Five Point Zero Zero Percent) of Gross Loan Portfolio.</p> <p>(c) PAR >90 Net of provisions shall not exceed 3% (Three Point Zero Zero Percent) of Gross Loan Portfolio.</p> <p>(d) Total Debt to Tangible Net worth shall not exceed 4.0 times.</p> <p>(e) Maximum permissible ratio of sum of PAR>90 and write-off (on the issuers entire portfolio including receivables sold or discounted on non recourse basis) to Gross Loan Portfolio shall be 7%. Write-offs will be considered for trailing 12 months.</p> <p>(f) Minimum Permissible ratio of Tangible Net Worth to Gross Loan Portfolio shall be 20.00% (Twenty Point Zero Zero Percent).</p> <p>(g) Maximum permissible PAR>90 to Tangible Net Worth shall be 15.00% (Fifteen Point Zero Zero Percent)</p> <p>The terms used in the financial covenants shall have the following meanings. To the extent any term is not defined under this Draft Prospectus, it shall have the meaning given to it in the Debenture Trust Deed.</p> <p>"Portfolio at Risk greater than 90 days" or "PAR > 90" shall mean, in respect of the Issuer's Gross Loan Portfolio (including restructured loans), at any time, the outstanding principal amounts of the Client Loans (including restructured loans) that have one or more instalments of principal, interest, penalty, fee or any other payments overdue for 90 (ninety) days or more but does not include the Client Loans that have been restructured/rescheduled pursuant to the RBI COVID-19 directions.</p> <p>"Tangible Networth" means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments. goodwill, deferred tax assets and other intangible assets.</p> <p>"Gross Loan Portfolio" means and includes the outstanding principal amounts of the loans originated by the Issuer on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuers's own book.</p> <p>"PAR >90 Net of provisions" shall be calculated as PAR>90 less provisioning for PAR>90.</p> <p>All covenants would be tested on a quarterly basis for the Company i.e. as on March 31, June 30, September 30 and December 31 every year starting from April 01, 2022 on a consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 90 (ninety) calendar days from the end of each financial year and within 60 days from the end of each quarter except for the quarter ending March 31.</p> <p>The Debenture Trustee may approve any application for waiver of, or deviation from, the above mentioned financial covenants, if Debenture Holders' representing more than 25% (twenty five percent) of the outstanding principal</p>
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amounts of the Debentures do not vote against granting consent in respect of any such application for waiver or deviation, within a period of 5 business days from the date of receipt of such request/notification from the Debenture Trustee.

III. REPORTING COVENANTS

The Company shall provide or cause to be provided to the Debenture Trustee, in form and substance reasonably satisfactory to the Debenture Trustee, *inter alia*, the following covenants (details of which will be prescribed in the Debenture Trust Deed):

- (a) **Annual reporting:** Details and information in respect of, *inter alia*, such items as may be required on an annual basis.
- (b) **Quarterly reporting:** Details and information in respect of, *inter alia*, such items as may be required on a quarterly basis.
- (c) **Semi-annual reporting:** Details and information in respect of, *inter alia*, such items as may be required on a semi-annual basis.
- (d) **Event Based Reporting:** Details and information in respect of, *inter alia*, such items/events as may be required by the Debenture Trustee upon their occurrence.
- (e) **Material Adverse Effect:** Details and information in respect of, *inter alia*, the occurrence of any Material Adverse Effect.
- (f) **Legal Proceedings:** Details and information in respect of, *inter alia*, any legal proceedings, which, if adversely determined, could result in a Material Adverse Effect.
- (g) **Event of Default or potential Event of Default:** Details and information in respect of, *inter alia*, the occurrence of any Event of Default or potential Event of Default.
- (h) **Prepayment:** Details and information in respect of, *inter alia*, any prepayment of any financial indebtedness of the Company.
- (i) **Financial Indebtedness:** Details and information in respect of, *inter alia*, any default, notice of any default in the observance or performance of any agreement or condition relating to any financial indebtedness by the Company.
- (j) **Insolvency:** Details and information in respect of, *inter alia*, any insolvency and/or winding up action taken in respect of the Company.
- (k) **Financial Covenants:** Details and information in respect of, *inter alia*, a certification from a director or the chief finance officer of the Company confirming compliance with the financial covenants.
- (l) **Certification of no Event of Default:** Details and information in respect of, *inter alia*, certifying/confirming no occurrence of any Event of Default (other than any Event of Default due to any non-compliance with any financial covenants).
- (m) **Debenture Trustee's Requirements:** Details and information in respect of, *inter alia*, providing all relevant information (including from chartered accountants, auditors and/or directors of the

	<p>Company) required by the Debenture Trustee for the effective discharge of its duties and obligations under the Transaction Document and in accordance with Applicable Law.</p> <p>IV AFFIRMATIVE COVENANTS</p> <p>The Company shall provide or cause to be provided to the Debenture Trustee, in form and substance reasonably satisfactory to the Debenture Trustee, <i>inter alia</i>, the following covenants (details of which will be prescribed in the Debenture Trust Deed):</p> <p>(a) Use of Proceeds: Affirmative covenants in respect of, <i>inter alia</i>, the use of the proceeds of the Issue only for the purpose set out in the Transaction Documents.</p> <p>(b) Loss or Damage by Uncovered Risks: Affirmative covenants in respect of, <i>inter alia</i>, the Company informing the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances.</p> <p>(c) Costs and Expenses: Affirmative covenants in respect of, <i>inter alia</i>, payment of all costs, charges and expenses incurred by the Debenture Trustee.</p> <p>(d) Payment of Rents, etc.: Affirmative covenants in respect of, <i>inter alia</i>, payment of all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when such amounts are payable.</p> <p>(e) Preserve Corporate Status: Affirmative covenants in respect of, <i>inter alia</i>, preserving and maintaining its corporate existence and status, complying with all acts, authorizations, consents, permissions, and directions of any Governmental Authority.</p> <p>(f) Pay Stamp Duty: Affirmative covenants in respect of, <i>inter alia</i>, payment of all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties by the Company.</p> <p>(g) Furnish Information to Debenture Trustee: Affirmative covenants in respect of, <i>inter alia</i>, provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business/affairs of the Company, and such other information, documents and/or details that the Debenture Trustee may require from time to time.</p> <p>(h) Redressal of Grievances: Affirmative covenants in respect of, <i>inter alia</i>, attending to and redressing the grievances of the Debenture Holders.</p> <p>(i) Comply with Investor Education and Protection Fund Requirements: Affirmative covenants in respect of, <i>inter alia</i>, complying with the provisions of the Companies Act relating to transfer of unclaimed/unpaid amounts of interest on NCDs and redemption of NCDs to Investor Education and Protection Fund ("IEPF"), if applicable to it.</p>
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- (j) **Corporate Governance; Fair Practices Code:** Affirmative covenants in respect of, *inter alia*, complying with any corporate governance requirements applicable to the Company and the fair practices code prescribed by the RBI/NHB.
- (k) **Further Assurances:** Affirmative covenants in respect of, *inter alia*, providing any further information/details in respect of the Debenture, the Company and/or its businesses (including legal proceedings, any monitoring and/or servicing requests from the Debenture Trustee etc.).
- (l) **Security:** Affirmative covenants in respect of, *inter alia*, the security provided by the Company on the Hypothecated Assets and the Transaction Security.
- (m) **Execution of Transaction Documents:** Affirmative covenants in respect of, *inter alia*, any delay in the execution of any Transaction Document and the consequences thereof.
- (n) **Internal Control:** Affirmative covenants in respect of, *inter alia*, maintaining internal control for the purpose of preventing fraud on amounts lent by the Company, and preventing money being used for money laundering or illegal purposes.
- (o) **Audit and Inspection:** Affirmative covenants in respect of, *inter alia*, permitting visits and inspection of books of records, documents and accounts to the Debenture Trustee.
- (p) **Books and Records:** Affirmative covenants in respect of, *inter alia*, maintaining its accounts and records in accordance with Applicable Law.
- (q) **Access; Periodic Portfolio Monitoring:** Affirmative covenants in respect of, *inter alia*, providing the Debenture Trustee with access to and/or permit them to examine and inspect the books and records, office premises, and the premises of the Company and the portfolio data in the format prescribed by the Debenture Trustee.
- (r) **Rating:** Affirmative covenants in respect of, *inter alia*, maintenance of a minimum rating of the NCDs as prescribed by the Debenture Trustee.
- (s) **Listing and Monitoring Requirements:** Affirmative covenants in respect of, *inter alia*, compliance with all covenants, undertakings and requirements under Applicable Law (including the SEBI Listed Debentures Circulars).

V. NEGATIVE COVENANTS

The Company shall provide or cause to be provided to the Debenture Trustee, in form and substance reasonably satisfactory to the Debenture Trustee, *inter alia*, the following covenants (details of which will be prescribed in the Debenture Trust Deed). PROVIDED THAT the Debenture Trustee may approve any application for consent in respect of any matter under the negative covenants set out in the Debenture Trust Deed and set out below, if Debenture Holders' representing more than 25% (twenty five percent) of the Outstanding Principal Amounts of the NCDs do not vote against granting consent in respect of any such application for consent, within a period of 5 (five) Business Days from the date of receipt of such request/notification from the Debenture Trustee.

	<p>(a) Change of Business; Constitutional Documents: Negative covenant in respect of, <i>inter alia</i>, any changes in the business of the Company and/or the Constitutional Documents of the Company.</p> <p>(b) Dividend: Negative covenant in respect of, <i>inter alia</i>, the dividend being paid by the Company in case of occurrence of an Event of Default.</p> <p>(c) Merger, Consolidation, etc: Negative covenant in respect of, <i>inter alia</i>, any merger, acquisition, restructuring, or amalgamation in respect of the Company.</p> <p>(d) Change in Capital Structure: Negative covenant in respect of, <i>inter alia</i>, any change in the capital structure of the Company that would lead to a reduction in the share capital of the Company.</p> <p>(e) Change of Control: Negative covenant in respect of, <i>inter alia</i>, the occurrence of any change of control, or any change of control event in respect of the Company.</p> <p>(f) Disposal of Assets: Negative covenant in respect of, <i>inter alia</i>, disposal of any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business, or any sale of assets or business or division of the Company that has the effect of exiting or re-structuring of the existing business of the Company;</p> <p>(g) Related Party Transactions: Negative covenant in respect of, <i>inter alia</i>, entering into any transactions with any Related Party or any transactions that are classified as "related party transactions" for the purposes of the Applicable Accounting Standards which are in excess of the thresholds set out in the Debenture Trust Deed.</p> <p>(h) Business: Negative covenant in respect of, <i>inter alia</i>, the Company undertaking any new major businesses except in relation to financial services or or diversify its business outside the financial services sector.</p> <p>VI. CONFIRMATIONS PURSUANT TO THE SEBI NCS REGULATIONS:</p> <p>(a) As on the date of filing of this draft Prospectus with the Stock Exchange(s) in accordance with the SEBI NCS Regulations:</p> <p>(i) the Company, the Promoter of the Company, the Promoter Group of the Company or the directors of the Company have not been debarred from accessing the securities market or dealing in securities by SEBI;</p> <p>(ii) no Promoter of the Company or director of the Company is a promoter or director of any another company which is debarred from accessing the securities market or dealing in securities by SEBI;</p> <p>(iii) no Promoter of the Company or director of the Company is a fugitive economic offender; and</p>
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	<ul style="list-style-type: none"> (iv) no fines or penalties levied by SEBI or any of the stock exchanges is pending to be paid by the Company. (b) The Company has received the Securities and Exchange Board of India Complaints Redress System (SCORES) authentication prior to the Deemed Date of Allotment. (c) The Lead Manager is not an associate of the Company as provided under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. (d) The Company has not been in default of payment of interest or repayment of principal amounts in respect of any non-convertible securities issued by it for a period of more than 6 (six) months.
<p>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</p>	<p>SECURITY</p> <ul style="list-style-type: none"> (a) The NCDs shall be secured on or prior to the Deemed Date of Allotment by way of (i) a first ranking exclusive and continuing charge to be created in favour of the Debenture Trustee pursuant to an unattested deed of hypothecation, dated on or about the date of the Debenture Trust Deed, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee ("Deed of Hypothecation") over identified book debts/loan receivables of the Company as described therein (the "Hypothecated Assets"). (b) The principal receivables of the Client Loans comprising the Hypothecated Assets shall, at all times until the Final Settlement Date, be at least 1.15 (one decimal one five) times the value of the aggregate Outstanding Principal Amounts (the "Security Cover"). (c) The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Company. (d) The Company shall create the charge over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof within the time period prescribed under the Deed of Hypothecation. <p>OTHER COVENANTS</p> <p>The following covenants shall apply to the Transaction Security, which are in addition to the covenants prescribed in the Debenture Trust Deed and the other Transaction Documents:</p> <ul style="list-style-type: none"> (i) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of

	<p>Hypothecation shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;</p> <p>(ii) the Company shall register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC;</p> <p>(iii) the Company shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets so as to ensure that the Security Cover is maintained; and</p> <p>(iv) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Transaction Documents.</p> <p>SPECIFIC DISCLOSURES</p> <p>(a) Type of security: Receivables/book debts, rights in underlying contracts, accounts (i.e., movable assets).</p> <p>(b) Type of charge: Hypothecation.</p> <p>(c) Date of creation of security/ likely date of creation of security: On or prior to the Deemed Date of Allotment.</p> <p>(d) Minimum security cover: Please refer paragraph named "Security" above.</p> <p>(e) Revaluation: N. A.</p> <p>(f) Replacement of security: The Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or to replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents.</p> <p>To be set out in further detail in the Deed of Hypothecation.</p> <p>(g) Interest over and above the coupon rate:</p> <p>(i) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum over the relevant Interest Rate in respect of the relevant NCDs on the relevant Outstanding Principal Amounts from the date of the occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period</p> <p>(ii) In the event of any delay in the execution</p>
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	<p>of any Transaction Documents (including the Debenture Trust Deed), the Issuer will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee.</p>
Transaction Documents	<p>means:</p> <ul style="list-style-type: none"> (a) the Debenture Trust Deed; (b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the Prospectus; (e) the letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (f) each tripartite agreement between the Company, the Registrar and the relevant Depository; and (g) any other document that may be designated as a Transaction Document by the Debenture Trustee <p>and "Transaction Document" means any of them.</p>
Conditions precedent to disbursement	<p>The Issuer shall, <i>inter alia</i>, fulfil the following conditions precedent:</p> <ul style="list-style-type: none"> (a) a copy of the certified versions Company's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer of the Company; (b) a copy of resolution of the Company's board of directors/committee of the Company's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Company; (c) copies of the resolutions of the shareholders of the Company under Sections 180(1)I and 180(1)(a) of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Company; (d) execution, delivery and stamping of the Prospectus and the other Transaction Documents in a form and manner satisfactory to the Debenture Trustee; (e) a copy of the rating letter and/or the rating rationale issued in relation to the NCDs; (f) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue; (g) a copy of the consent of Skyline Financial Services Private Limited to act as the registrar and transfer agent for the Issue;

	<ul style="list-style-type: none"> (h) a copy of the tripartite agreement(s) executed between the Company and the Depositories; (i) the audited financial statements of the Company for the Financial Year ended March 31, 2021, and to the extent required by the Debenture Trustee and available with the Company, the most recently prepared audited/unaudited financial statements of the Company; (j) a certificate from the authorised signatory(ies) of the Company addressed to the Debenture Trustee in a form and manner satisfactory to the Debenture Trustee; (k) (if so required) copy(ies) of the in-principle approval(s) provided by the Stock Exchange(s) in respect of the listing of the NCDs; and (l) such other information, documents, certificates, opinions and instruments as the Debenture Holders/Debenture Trustee may reasonably request.
Conditions subsequent to disbursement	<p>The Issuer shall, <i>inter alia</i>, fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee:</p> <ul style="list-style-type: none"> (a) the Company shall ensure that the NCDs are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements; (b) the Company shall, within the time period prescribed under applicable law, file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC along with a list of the Debenture Holders and with the prescribed fee; (c) the Company shall in respect of the Transaction Security, file Form CHG-9 with the relevant registrar of companies within the time period prescribed under applicable law; and (d) the Company shall make the application for listing of the NCDs and obtain listing of the NCDs within the time period prescribed under the SEBI Listing Timelines Requirements.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	<p>EVENTS OF DEFAULT</p> <p>The Events of Default and the consequences thereof shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents. Without prejudice to the terms of the Debenture Trust Deed, each of the events, <i>inter alia</i>, set out below are Events of Defaults:</p> <ul style="list-style-type: none"> (a) Payment Defaults: Any default in respect of, <i>inter alia</i>, payment by the Company of the Outstanding Amounts on any Due Date. (b) Material Adverse Effect: The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee. (c) Cross Default: Any default in respect of, <i>inter alia</i>, any other financial arrangements of the Company. Please also refer section named "Cross Default" below.

	<p>(d) Misrepresentation: Any event in respect of, <i>inter alia</i>, any misrepresentation by the Company.</p> <p>(e) Unlawfulness: Any event where, <i>inter alia</i>, it becomes unlawful for the Company to perform any of its obligations under the Transaction Documents.</p> <p>(f) Repudiation: Any event in respect of, <i>inter alia</i>, repudiation any of the Transaction Documents.</p> <p>(g) Transaction Documents: Any event in respect of, <i>inter alia</i>, any Transaction Document being terminated or ceases to be effective or ceases to be in full force.</p> <p>(h) Delisting: Any event in respect of, <i>inter alia</i>, the delisting of the NCDs.</p> <p>(i) Corporate governance: Any event in respect of, <i>inter alia</i>, failure by the Company to meet standards with respect to corporate governance.</p> <p>(j) Legal Proceedings: Any event in respect of, <i>inter alia</i>, legal or governmental proceedings being initiated against the Company which impair the Company's ability to perform its obligations under the Transaction Documents or which has a Material Adverse Effect.</p> <p>(k) Creditors' Process and Expropriation: Any event in respect of, <i>inter alia</i>, any expropriation, attachment, garnishee, sequestration, distress or execution that affects any assets of the Company.</p> <p>(l) Authorisations; Licenses: Any event in respect of, <i>inter alia</i>, any authorisations, licenses (including operating licenses), consents and approvals required by the Company being revoked or suspended or cancelled in any manner.</p> <p>(m) Insolvency/Inability to Pay Debts: Any event in respect of, <i>inter alia</i>, the insolvency of the Company or its inability to pay debts.</p> <p>(n) Liquidation, Insolvency or Dissolution of the Company / Appointment of Receiver, Resolution Professional or Liquidator: Any event in respect of, <i>inter alia</i>, any liquidation, insolvency or dissolution of the Company or any corporate action or legal proceedings in respect thereof.</p> <p>(o) Judgment Defaults: Any event in respect of, <i>inter alia</i>, one or more judgments or decrees being entered against the Company in excess of such thresholds as may be prescribed in the Debenture Trust Deed.</p> <p>(p) Security in Jeopardy: In the opinion of the Debenture Trustee any of the Hypothecated Assets are in jeopardy.</p> <p>(q) Security: Any event in respect of, <i>inter alia</i>, failure or delay in creation/perfection of the Transaction Security, or any non-maintenance of the Transaction Security in accordance with the Transaction Documents.</p> <p>(r) Business: Any event in respect of, <i>inter alia</i>, the Company ceasing to carry on its business or gives notice of its intention to do so.</p> <p>(s) Failure to Certify: Any breach in respect of, <i>inter alia</i>, the requirement to certify the non-occurrence</p>
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	<p>of an Event of Default.</p> <p>(t) Rating Covenant: Any breach in respect of, <i>inter alia</i>, the Company in maintaining a minimum rating of at least "A-" (provided by the Rating Agency) in respect of the NCDs, which breach is not cured within 30 (thirty) days of occurrence or such other time period as may be prescribed by the Debenture Trustee.</p> <p>(u) Breach of Negative Covenants: Any breach in respect of, <i>inter alia</i>, the negative covenants of the Company.</p> <p>(v) Breach of Financial Covenants: Any breach in respect of, <i>inter alia</i>, the financial covenants of the Company.</p> <p>(w) Breach of Reporting Covenants: Any breach in respect of, <i>inter alia</i>, the negative covenants of the Company.</p> <p>(x) Breach of other Covenants: Any breach in respect of, <i>inter alia</i>, any other covenant or undertaking of the Company (other than (a) to (w) above) which is not cured within 30 (thirty) days of occurrence or such other time period as may be prescribed.</p> <p>CONSEQUENCES AND REMEDIES OF AN EVENT OF DEFAULT</p> <p>The consequences and remedies of an Event of Default shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents. These include (but are not limited to), <i>inter alia</i>, the following:</p> <p>If one or more Events of Default occur(s), the Debenture Trustee may, on the instructions of the Majority Debenture Holders in accordance with the Debenture Trust Deed, by a notice in writing to the Company initiate the following course of action:</p> <p>(a) require the Company to mandatorily redeem the NCDs and repay the Outstanding Principal Amounts, along with accrued but unpaid interest and other costs, charges and expenses incurred under the Transaction Documents;</p> <p>(b) accelerate the redemption of the NCDs and declare all or any of the NCDs to be due and payable immediately;</p> <p>(c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security);</p> <p>(d) appoint any independent agency to inspect and examine the working of the Company and give a report to the Debenture Trustee;</p> <p>(e) take any actions in respect of the SEBI Defaults (Procedure) Circular in accordance with the Transaction Documents; and</p> <p>(f) take all such other action, and exercise such other right as is permitted under the Transaction Documents or under Applicable Law.</p>
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under the SEBI Recovery Expense Fund Circular, establish and maintain the Recovery

	Expense Fund in such manner/mode as is prescribed under the SEBI Recovery Expense Fund Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer Sections named "Default Interest Rate" and "Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)". The Events of Default and the consequences thereof shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents.
Provisions related to Cross Default Clause	<p>The following is an Event of Default.</p> <p>The Company:</p> <p>(i) defaults in any payment of any financial indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such financial indebtedness was created. PROVIDED THAT no event or default under this sub-Clause (i) shall result in any Event of Default if such event or default is in respect of amounts lower than ₹ 10,00,000 (Indian Rupees Ten Lakh) and (to the extent such event or default is, in the opinion of the Debenture Trustee, capable of remedy) is remedied (to the satisfaction of the Debenture Trustee) by the Company within a period of 30 (thirty) calendar days of its occurrence.</p> <p>(ii) defaults in the observance or performance of any agreement or condition relating to any financial indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such financial indebtedness to cause (determined without regard to whether any notice is required) any such financial indebtedness to become due prior to its stated maturity, and such financial indebtedness of the Company is declared to be due and payable; or</p> <p>(iii) any financial indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.</p>
Roles and responsibilities of the Debenture Trustee	<p>The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including:</p> <p>(a) the Debenture Trustee may, in relation to the Debenture Trust Deed and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise;</p> <p>(b) notwithstanding anything contained to the contrary in the Debenture Trust Deed, the Debenture Trustee shall, before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written</p>

	(c) consent of the Majority Debenture Holders; and the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular.
Risk factors pertaining to the issue	Please refer the Section named "Risk Factors" of the Draft Prospectus
Governing law and jurisdiction	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Gurugram, Haryana, India, and as more particularly provided for in the respective Transaction Documents.
Business Day Convention	As prescribed in the SEBI NCS Regulations.
Delay in allotment of securities and refund of application money	If the NCDs are not allotted to the Applicants and/or the Application Money is not unblocked within the time period prescribed by the SEBI, the Company shall pay interest at the rate of 15% (fifteen percent) per annum to the Applicants.
Delay in execution of Transaction Documents	In the event of any delay in the execution of any Transaction Documents (including the Debenture Trust Deed), the Issuer will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee.
Default in Payment	The Company hereby agrees to pay default interest at 2% (two percent) per annum over the applicable Interest Rate on the Outstanding Principal Amounts in case of the occurrence of any Payment Default, from the date of the occurrence of such Payment Default until the Payment Default is cured or the Secured Obligations are repaid (whichever is earlier).
Delay in Listing	In the event of failure to list the NCDs within such days from the date of closure of issue as may be specified by the Board (schedule listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from 146 the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the Company shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.
Description of the Hypothecated Assets	Each of the Hypothecated Assets shall meet the eligibility criteria prescribed below, and as set out in the Debenture Trust Deed/Deed of Hypothecation" (a) Each loan must be originated by the Company and must be a housing loan or loan secured against property. (b) Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned by the Company. (c) Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI. (d) Loans must have been given to individual borrowers. (e) Loans are current and not in overdue at the time of

	<p>hypothecation and have not been terminated or prepaid.</p> <p>(f) No loans must have DPD>60.</p> <p>(g) The maximum concentration of loans having DPD>0 should be 10% of total principal value of security pool.</p> <p>(h) Maximum ticket size per loan should not be more than INR 50 lakhs</p> <p>(i) Loan to value of the contracts should be less than or equal to 70%.</p> <p>(j) The concentration of an individual borrower should not be more than INR 75 lakhs</p> <p>(k) Charge in collateral property should be registered in CERSAI.</p>
Applicable Definitions	<p>While the definitions in respect of the NCDs will be set out in the Debenture Trust Deed, the following terms shall have the following meanings:</p> <p>(a) "Applicable Law" means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.</p> <p>(b) "Applicable Accounting Standards" means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes the Indian Accounting Standards (IND-AS).</p> <p>(c) "Assets" means for any date of determination, the assets of the Company on such date as the same would be determined in accordance with the Applicable Accounting Standards.</p> <p>(d) "Client Loan" means each loan disbursed by the Company as a lender, and "Client Loans" means all such loans collectively.</p> <p>(e) "Constitutional Documents" means the certificate of incorporation of the Company, the memorandum of association and articles of association of the Company and the certificate of registration issued by the RBI to the Company.</p> <p>(f) "Due Date" means the date on which any principal amounts, interest, and/or any other amounts payable, are due and payable.</p> <p>(g) "Final Settlement Date" means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Trustee.</p> <p>(h) "Governmental Authority" means any government (central, state or otherwise) or any</p>

	<p>governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law.</p> <p>(i) "Majority Debenture Holders" means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the NCDs.</p> <p>(j) "Majority Resolution" a resolution approved by the Majority Debenture Holders.</p> <p>(k) "Outstanding Amounts" means, at any date, the Outstanding Principal Amounts together with any interest, and other amounts payable by the Company in respect of any of the NCDs.</p> <p>(l) "Outstanding Principal Amounts" means, at any date, the principal amounts outstanding under any of the NCDs.</p> <p>(m) "Payment Default" means the failure of the Company to make any payments of any of the amounts (including the interest amounts and/or the Outstanding Principal Amounts) due and payable by it in accordance with the Transaction Documents on the relevant Due Date(s).</p> <p>(n) "Promoters" has the meaning given to it in the SEBI NCS Regulations.</p> <p>(o) "Promoter Group" has the meaning given to it in the SEBI NCS Regulations.</p> <p>(p) "Related Party" has the meaning given to it in the Companies Act.</p> <p>(q) "SEBI Listing Timelines Requirements" means the requirements in respect of the timelines for listing of debt securities prescribed in Chapter I (Application process in case of public issues of securities and timelines for listing) of the SEBI Operational Circular.</p> <p>(r) "Secured Obligations" means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holders or the Debenture Trustee under the Transaction Documents in respect of any of the NCDs, including without limitation, the making of payment of any interest, redemption of principal amounts, the default interest, additional interest, and all costs, charges, expenses and other amounts payable by the Company in respect of any of the NCDs.</p>
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Notes:

- If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.
- The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
- 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.
- The issuer shall provide granular disclosures in their offer document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue". Further, the amount earmarked for "General Corporate Purposes", shall not exceed 25% of the amount raised by the issuer in the proposed issue.

** In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialised form.*

*** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Asset Liability Management Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE. For further details, please see "General Information" on page 35 of this Draft Prospectus.*

Please see "Terms of the Issue" on page 174 for details of category wise eligibility and allotment in the Issue.

Specific Terms for NCDs

Series	I	II	III
Frequency of Interest Payment	Annually	Annually	Annually
Minimum Application	₹ 10,000 (10 NCDs) across all Series		
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000		
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)		
Tenor	36 months	48 months	60 months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	8.93% compounded monthly payable annually	9.25% compounded monthly payable annually	9.29% compounded monthly payable annually
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	9.29%	9.64%	9.69%
Mode of Interest Payment	Through various modes available		
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹ 1,000	₹ 1,000	₹ 1,000
Maturity / Redemption Date (Years from the Deemed Date of Allotment)	36 months	48 months	60 months
Put and Call Option	NA	NA	NA

** Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of payment

The entire amount of face value per NCDs 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 submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specifies in “Terms of the Issue” on page 174 of this Draft Prospectus.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft 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 (in case of Applicants applying for Allotment of the NCDs in dematerialised form) 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.

For further details, please see “Issue Procedure” on page 190 of this Draft Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company pursuant to the resolution passed at their meeting held on November 22, 2021 and by the Asset and Liability Management Committee in their meeting held on December 23, 2021. 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 approved at the extra-ordinary general meeting dated July 26, 2021.

Principal Terms and Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Application Forms, the Abridged Prospectus, 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/the Stock Exchanges, RBI and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs being offered through this Issue shall be secured by way of a first and exclusive charge created pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over the receivables (both present and future) arising out of identified book debts/loan receivables of the Issuer and all rights under the relevant loan documents in respect of the aforementioned identified book debts/loan receivables, and as set out in the Deed of Hypothecation ("**Hypothecated Assets**"); and such other security interest/contractual comfort as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**").

Security

Please refer to "Issue Structure" on page 152 of this Draft Prospectus.

Other confirmations by the Debenture Trustee

The Debenture Trustee has agreed for a lumpsum fee amounting to ₹ 1,00,000 (plus applicable GST) and annual charges of ₹ 1,50,000 (plus applicable GST) for the services as agreed in terms of the engagement / appointment / fee letter dated November 26, 2021.

CATALYST TRUSTESHIP LIMITED HAS FURNISHED TO THE STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE SEBI CIRCULAR NO. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 DATED NOVEMBER 3, 2020 AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the NCDs 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 NCDs.

- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in the offer document and all disclosures made in the offer document with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
- e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document.
- f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the NCDs.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Regulation 16 of the SEBI NCS Regulations, housing finance companies registered with National Housing Board that intend to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 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 and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. 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 of the NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed Catalyst Trusteeship Limited to act as the Debenture Trustee for the 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. We and the Debenture Trustee will execute a Debenture Trust Deed, before making the application for listing of NCDs, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Please refer to “Issue Structure” on page 152.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company’s members/shareholders including, without limitation, the right to receive notices or annual reports of, or to attend and/or vote at any general meeting of our Company’s members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders, for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned 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 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 NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned 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 NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialised Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation (“Register of NCD Holders”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the 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 NCD Holders as on the Record Date. For the NCDs issued in dematerialised form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialised Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders in accordance with Regulation 39 of the SEBI NCS Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“Rule 19”) and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the Form No. SH.13, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No.SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialised form, 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 in connection with NCDs held in the dematerialised form.

Since the allotment of NCDs will be made only in dematerialised 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.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Gurugram, Haryana, India.

Application in the Issue

NCDs being issued through this Draft Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

The trading of the NCDs on the Stock Exchange shall be in dematerialised form only in multiples of one 1 (one) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

A successful Applicant can also request for the issue of NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs (“**Market Lot**”).

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form 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. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

Please see “Issue Structure” on page 152 of this Draft Prospectus for the implications on the interest applicable to NCDs held by different category of Investors on the Record Date. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (“SEBI LODR IV Amendment”), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

The NCD Holder for the time being appearing in the record of beneficial owners maintained by the Depository 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.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognised as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose

of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Period of Subscription

ISSUE PROGRAMME	
Issue Opens on	[●]
Issue Closes on	[●]
Pay in date	Application Date. The entire Application Amount is payable on Application
Deemed date of Allotment	The date on which the Board or the Asset Liability Management Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Asset Liability Management Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for the Issue under the Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Asset Liability Management Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national and a daily regional newspaper with wide circulation at the place where the registered office of the Company is situated on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will

be accepted only between 10 a.m. to 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to “Terms of the Issue” on page 174 of this Draft Prospectus.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges 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 the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Operational Circular. However, in the event of oversubscription, on such date, the allotments would be made to the applicants on proportionate basis.

Interest

Series I NCD

In case of Series I 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 I NCD:

Category of NCD holder	Coupon
Category I, II, III and IV	8.93% (Eight decimal point nine three percent) per annum compounded monthly payable annually (equivalent to 9.29% XIRR)

Series I NCDs shall be redeemed at the Face Value at the end of 36 months from the Deemed Date of Allotment.

Series II NCD

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

Category of NCD holder	Coupon
Category I, II, III and IV	9.25% (Nine decimal point two five percent) per annum compounded monthly payable annually (equivalent to 9.64% XIRR)

Series II NCDs shall be redeemed at the Face Value at the end of 48 months from the Deemed Date of Allotment.

Series III NCD

In case of Series III 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 NCD:

Category of NCD holder	Coupon
Category I, II, III and IV	9.29% (Nine decimal point two nine percent) per annum compounded monthly payable annually (equivalent to 9.69% XIRR)

Series III NCDs shall be redeemed at the Face Value at the end of 60 months from the Deemed Date of Allotment.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of 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 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 NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date. 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 NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI.

Taxation

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 dematerialised form and is listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Any tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 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.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "Effective Date"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. 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. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by the SEBI Operational Circular is disclosed as Annexure I.

Application Size

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

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

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Maturity and Redemption

Please refer to “Issue Structure” on page 152 of this Draft Prospectus.

Put / Call Option

Not Applicable

Terms of Payment

The entire issue price per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Prospectus.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

For NCDs held in physical form on account of rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be along with the rematerialisation request.

For NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant’s sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The 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. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. 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.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. 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.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to

be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs 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 NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Record Date

15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the Prospectus or as may be otherwise prescribed by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding Working Day or a date notified by the Company to the Stock Exchanges shall be considered as Record Date.

Procedure for Redemption by NCD Holders

NCDs held in physical form pursuant to rematerialisation of NCDs

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "Payment on Redemption" given below.

NCDs held in electronic form

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards his/their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹1,838.*

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and informed the Debenture Trustee regarding the creation of 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.

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD

certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our Subsidiary, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and subject to the stipulated minimum security cover being maintained, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection. However, if consent and/or intimation is required under applicable law, then the Company shall obtain such consents and/or intimation in accordance with such law.

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 Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the 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 the Base Issue Size, prior to the Issue Closing Date the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight Working Days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in unblocking aforesaid ASBA Accounts within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

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 is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was 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.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts until the documents for creation of security are executed and on receipt of listing and trading approval we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
3. Details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
4. Details of all unutilised monies out of issue of NCDs, 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 the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;
5. The Issue proceeds 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;
6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Draft Prospectus in "Issue Structure" on page 152 of this Draft Prospectus;
7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
8. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 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.

Guarantee/Letter of Comfort

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

Arrangers to the Issue

There are no arrangers to the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company, subject to applicable laws.

Lien or Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien or pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

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. Our Board shall monitor the utilisation of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Procedure for Rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Events of Default

Please refer to “Issue Structure” on page 152 of this Draft Prospectus

Filing of the Prospectus with the RoC

A copy of the Prospectus will be filed with the RoC, in accordance with Section 26 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 Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30(1) of SEBI NCS Regulations.

Listing

The NCDs offered through this Prospectus are proposed to be listed on the BSE. Our Company has obtained an ‘in-principle’ approval for the Issue from the BSE vide their letter bearing reference no. [●] dated [●]. For the

purposes of the Issue, BSE shall be the Designated Stock Exchange. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

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

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant Fiscals commencing from the Fiscal 2021- 2022, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the SEBI Operational Circular, all Applicants are required to apply for in the Issue through the ASBA process. 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.

In addition, specific attention is invited to SEBI Operational Circular, whereby investor may use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to ₹2,00,000.

ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Manager or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTA at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus.

The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular. The Direct Online Application facility will be available for this Issue.

Retail Individual Investors should note that they may use the UPI Mechanism to block funds for application value upto ₹ 2,00,000 submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

Specific attention is drawn to the SEBI Operational Circular, which provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE DRAFT PROSPECTUS, THE PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGER, LEAD BROKER AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, the term “Working Day” shall mean, all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.

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

PROCEDURE FOR APPLICATION

Availability of the Prospectus, Abridged Prospectus, and Application Forms

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

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

Physical copies of the Abridged Prospectus containing the salient features of the Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Manager;
3. Offices of the Lead Brokers;
4. Registrar to the Issue
5. Designated RTA Locations for RTAs;
6. Designated CDP Locations for CDPs; and
7. Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchanges, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the 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.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. 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 websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Who can apply?

The following categories of persons are eligible to apply in the Issue:

Category I Institutional Investors	Category II Non-Institutional Investors	Category III High Net-worth Individual, ("HNIs"), Investors	Category IV Retail Individual Investors
<ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment 	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory Bodies/ Corporations and Societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; 	<ul style="list-style-type: none"> • Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹1 million across all series of NCDs in Issue 	<ul style="list-style-type: none"> • Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1 million across all series of NCDs in 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

Category I Institutional Investors	Category II Non-Institutional Investors	Category III High Net-worth Individual, (“HNIs”), Investors	Category IV Retail Individual Investors
<p>conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</p> <ul style="list-style-type: none"> • Mutual Funds registered with SEBI • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • 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, a nonbanking 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 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. 	<ul style="list-style-type: none"> • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. 		<p>include NRIs) though UPI Mechanism.</p>

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications 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 NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors;
6. Foreign Venture Capital Investors
7. Qualified Foreign Investors;
8. Overseas Corporate Bodies; and
9. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to “Issue Procedure - Rejection of Applications” on page 211 of this Draft Prospectus for information on rejection of Applications.

Method of Applications

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

Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“Direct Online Application Mechanism”). In this regard, SEBI has, through the SEBI Operational Circular, directed recognised Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Operational Circular.

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 <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

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 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 Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

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. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)
 - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
 - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
 - c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 2 lakhs or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.
2. Through BSE Limited
 - a. An investor may submit the bid-cum-application form through the App or web interface developed by BSE (or any other permitted methods) wherein the bid is automatically uploaded onto the BSE bidding platform and the amount is blocked using the UPI Mechanism.
 - b. BSE has extended their web-based platform i.e. 'BSEDirect' 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 lakh. To place bid through 'BSEDirect' platform the eligible investor is required to register himself/ herself with BSE Direct.
 - c. An investor may use the following links to access the web-based interface developed by BSE to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>.

- d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' 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 BSE has issued operational guidelines and circulars available at BSE:

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, & <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>;

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarised below.

Applications by Mutual Funds

Pursuant to the 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 Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) 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.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Operational Circular, 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 Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development

Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.**

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “SEBI AIF Regulations”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory **and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorised 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 Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are

incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorised person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **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 National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorised person. **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 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 authorised 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 organisations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorised 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 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 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorising investment and containing operating instructions; (iv) Specimen signature of authorised 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 under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted 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. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Manager 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/ 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 FOR ALLOTMENT OF NCDs IN THE DEMATERIALISED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up. Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application 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 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 <https://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. The list of 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 website of BSE at www.bseindia.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.

Applications can be submitted through either of the following modes:

1. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
2. Physically through the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the ASBA

Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of Consortium and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites.
2. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Cities can accept Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to "General Information" on page 35 of this Draft Prospectus.
3. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only.
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Prospectus, the Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same Series or across different Series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form. • If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal.
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (TRS). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- 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.

The Series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Applicants should note that neither the Members of the Consortium 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 the Series III of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

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

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID, Client ID and UPI ID provided by the Applicant in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been

verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialised 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.

C. Unified Payments Interface (UPI)

Pursuant to the SEBI Operational Circular, the 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 Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

D. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

E. 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.

F. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the 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 lakhs 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 a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped

based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

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 authorise 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 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 BSE Direct 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. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Prospectus, the Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities

- to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialised form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
 5. Ensure that you have mentioned the correct ASBA Account number in the Application Form.
 6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder.
 7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
 8. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be.
 9. Before submitting the 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 relevant Bidding Centre;
 10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
 11. 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 Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the NSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
 12. 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.
 13. 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.
 14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
 15. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "General Information" on page 35 of this Draft Prospectus.
 16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.
 17. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.
 18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form and Tick the series of NCDs in the Application Form that you wish to apply for.
 19. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹2,00,000.
 20. 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.
 21. 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 App/ Web interface.
 22. 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.

23. 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.
24. 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.
25. 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

In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post; instead submit the same to the Members of Consortium, sub-brokers, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit an Application Form using UPI ID, if the Application is for an amount more than ₹2,00,000.
10. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.
11. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account.
12. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
13. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
14. 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.
15. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
16. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
17. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
18. Do not make an application of the NCD on multiple copies taken of a single form.
19. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
20. Do not submit more than five Application Forms per ASBA Account.
21. 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.

Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at 337 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)).

Please refer to “Issue Procedure” on page 190 of this Draft Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 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 the Issue or until rejection of the ASBA Application, as the case may be.

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 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

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 authorise 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 authorise 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.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Members of Consortium or Trading Members of the Stock Exchanges only at the Specified Cities ("Syndicate ASBA"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Members of Consortium/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (a) The Members of Consortium, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Members of Consortium, 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 SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Members of Consortium, Trading Members of the Stock Exchange, or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of Consortium, Trading Members of the Stock Exchanges and the SCSBs during the Issue Period. The Members of Consortium and Trading Members of the Stock Exchanges can also set up facilities for off-line electronic registration of Applications subject to the condition

that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs 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. For further information on the Issue programme, please refer to “General Information” on page 35 of this Draft Prospectus.

- (c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (d) With respect to ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Specified City
 - Application amount
- (e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant’s responsibility to obtain the acknowledgement from the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
- (f) Applications can be rejected on the technical grounds listed on page 211 of this Draft Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchanges 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, the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus;

nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Asset Liability Management Committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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

- i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants.
- ii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant.
- iii. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned.
- iv. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size.
- v. Applications where a registered address in India is not provided for the Applicant.
- vi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s).
- vii. DP ID and Client ID not mentioned in the Application Form;
- viii. GIR number furnished instead of PAN.
- ix. Applications by OCBs.
- x. Applications for an amount below the minimum application size.
- xi. Submission of more than five ASBA Forms per ASBA Account.
- xii. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals.
- xiii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted.
- xiv. Applications accompanied by Stock invest/cheque/ money order/ postal order/ cash.
- xv. If an authorisation to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- xvi. 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).
- xvii. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xviii. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- xix. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant.
- xx. Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained.
- xxi. Application Forms submitted to the Members of Consortium or Trading Members of the Stock Exchanges or Designated Branches of the SCSBs does not bear the stamp of the relevant Member of Consortium or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be.
- xxii. Applications not having details of the ASBA Account to be blocked.

- xxiii. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
- xxiv. Inadequate funds in the ASBA Account to enable the SCSB 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 for blocking of funds.
- xxv. 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.
- xxvi. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law.
- xxvii. Authorisation to the SCSB for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has been not provided.
- xxviii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority.
- xxix. Applications by any person outside India.
- xxx. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements.
- xxxi. Applications not uploaded on the online platform of the Stock Exchange.
- xxxii. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable.
- xxxiii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form.
- xxxiv. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
- xxxv. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories.
- xxxvi. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number.
- xxxvii. Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained.
- xxxviii. Applications tendered to the Trading Members of the Stock Exchanges at centers other than the centers mentioned in the Application Form.
- xxxix. Investor Category not ticked.
 - xl. 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.
 - xli. The UPI Mandate Request is not approved by the Retail Individual Investor.
 - xlii. Forms not uploaded on the electronic software of the Stock Exchange and/or 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.

Kindly note that Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalisation of the basis of allotment, please refer to "Issue Procedure" on page 190 of this Draft Prospectus.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

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

Allocation Ratio

The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

- (a) Applications received from Category I applicants: Applications received from Category I, shall be grouped together, (“**Institutional Portion**”);
- (b) Applications received from Category II applicants: Applications received from Category II, shall be grouped together, (“**Non-Institutional Portion**”);
- (c) Applications received from Category III applicants: Applications received from Category III, shall be grouped together, (“**High Net-worth Individual**” / (“**HNIs**”));
- (d) Applications received from Category IV applicants: Applications received from Category IV, shall be grouped together, (“**Retail Individual Portion**”).

For removal of doubt, “Institutional Portion”, “Non-Institutional Portion”, “HNIs” and “Retail Individual Portion” are individually referred to as “Portion” and collectively referred to as “Portions”.

Basis of Allotment for NCDs

Allotments in the first instance:

- (i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 5% of overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Lead Manager and their respective affiliates/SCSB (Designated Branch or online acknowledgement));
- (ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 20% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));
- (iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 5% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));
- (iv) Applicants belonging to the Category IV, in the first instance, will be allocated NCDs up to 70% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

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 Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the Allotments would be made to the Applicants on proportionate basis.

- (a) Under Subscription:
Under subscription, if any, in any Portion, priority in Allotments will be given in the following order:
 - i. Retail Individual Investor
 - ii. Non-Institutional Portion
 - iii. High Networth Individuals
 - iv. Institutional Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

For each Portion, all Applications uploaded into the electronic book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion, respectively.

Minimum allotment of 10 NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(b) 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 NCDs to the valid Applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for Allotment.

In view of the same, the Investors are advised to refer to the Stock Exchange website at www.bseindia.com for details in respect of subscription.

(c) Proportionate Allotments: For each Portion, on the date of oversubscription:

- i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
- ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;
- iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalised by draw of lots in a fair and equitable manner; and

Applicant applying for more than one Series of NCDs: If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

Further, in the aforesaid scenario, wherein the Applicant has applied for all the three series and in case such Applicant cannot be allotted all the three series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e. allotment of NCDs with tenor of 36 months followed by allotment of NCDs with tenor of 60 months.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue Size shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft 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 Manager.

Our Company would Allot Series III NCDs to all valid applications, wherein the Applicants have not indicated their choice of the relevant series of the NCDs.

NCDs under Series II and Series III should be allotted for a maximum value of ₹ 4,000 lakhs.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000 in accordance with the pecking order mentioned above.

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

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 Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date; provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 6 (six) Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION**Withdrawal of Applications during the Issue Period**

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite. In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) 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 to the Issue prior to the finalisation of the Basis of Allotment.

Revision of Applications

As per 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. 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/ modify their Application details during the Issue Period, as allowed/permitted by the stock

exchange(s), by submitting a written request to the Consortium Member / Trading Members of the Stock Exchange/ the SCSBs, 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(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Consortium Member, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

- i. Tripartite agreement dated June 22, 2021 among our Company, the Registrar and CDSL and tripartite agreement dated March 17, 2010 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
- 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. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- vii. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- viii. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialised form only.

Please also refer to "Issue Procedure" on page 190 of this Draft Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the

Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay in allotment

Our Company undertakes to pay interest, in connection with any delay in allotment (and unblocking of application money in case of refund), 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.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilised and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilised indicating the purpose for which such monies have been utilised, and the securities or other forms of financial assets in which such unutilised monies have been invested;
- (e) Undertaking by our Company for execution of Debenture Trust Deed;
- (f) We shall utilise the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Prospectus, on receipt of the minimum subscription of 75% of the Issue Size and receipt of listing and trading approval from the Stock Exchange.
- (g) The Issue proceeds 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 dealing of equity of listed companies or lending/investment in group companies.
- (h) The allotment letter shall be issued or application money shall be refunded within 15 days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board of India, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Other Undertakings by our Company

Our Company undertakes that:

- a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
- d) Funds required for dispatch of refund orders/Allotment Advice will be made available by our Company to the Registrar to the Issue;
- e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
- f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Prospectus and the

Prospectus.

- g) Our Company shall make necessary disclosures/reporting under any other legal and regulatory requirement as may be required by our Company from time to time.
- h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.
- i) 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;
- j) We shall create a recovery expense fund in the manner as maybe specified by SEBI 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.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

Listing

The NCDs offered through this Prospectus, Prospectus are proposed to be listed on BSE. Our Company has received an ‘in-principle’ approval from BSE by way of its letter bearing reference number [●] dated [●]. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days of the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series shall not be listed.

Guarantee/Letter of Comfort

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

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Company in the meeting of the Board of Directors held on November 22, 2021 and the meeting of Asset Liability Management Committee held on December 23, 2021 approved the public issue of rated, secured, senior, listed, transferable, redeemable NCDs of face value of ₹ 1,000 each up to ₹ 10,000 lakh.

Pursuant to the resolution passed by the shareholders of our Company under Section 180(1)(c) of the Companies Act, 2013, at the EGM held on July 26, 2021, the Board has been authorised to borrow any sum or sums of money, from time to time, as it may deem necessary, provided that the total monies borrowed and outstanding at any time for the principal amounts of the loans borrowed (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 60,00,00,00,000 (Rupees Six Thousand Crores only).

Prohibition by SEBI / Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a director or promoter of another company which is has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months.

Our Company, as on date of this Draft Prospectus, has not defaulted in:

- a. the repayment of deposits or interest payable thereon;
- b. redemption of preference shares; or
- c. redemption of debt securities and interest payable thereon;
- d. payment of dividend to any shareholder; or
- e. repayment of any term loan or interest payable thereon,

in the last three financial years and the current financial year.

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

Our 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 Draft Prospectus.

Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government / regulatory authority and/or by any bank or financial institution. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED HAS 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. 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 MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. 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 HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**
- 5. WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS HOSTED ON THE WEBSITE OF BSE (DESIGNATED STOCK EXCHANGE).**

Disclaimer Clause of BSE

BSE LIMITED (“THE EXCHANGE”) HAS GIVEN VIDE ITS LETTER DATED [●], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINISED 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 Statement of NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 14, 2010, 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 SHELF PROSPECTUS NOR SHOULD IT BE DEEMED THAT NHB HAS APPROVED IT.

HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Statement of ICRA Limited

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Disclaimer statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer statement from the Lead Manager

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE 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. THIS PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE 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 THIS 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 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 13 OF THIS PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS 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 THIS 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 PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES. OUR COMPANY DECLARES THAT NOTHING IN THE 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.

Disclosures in accordance with the DT Circular

Debenture Trustee Agreement

Our Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

- a) The Debenture Trustee has agreed for a lumpsum fee amounting to ₹ 1,00,000 (plus the applicable GST) and annual charges of ₹ 1,50,000 (plus the applicable GST) for the services as agreed in terms of the letter dated November 26, 2021.
- b) 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 Documents and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable 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;
- c) Our 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 required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by our Company or any other person, are registered / disclosed;
- d) The Debenture Trustee shall have the power to either independently appoint, or direct our 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 and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. 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 our Company;

- e) Our Company has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;
- f) Our Company has agreed that the Issue proceeds shall be kept in the public issue account with a scheduled commercial bank and shall not be utilised by the Company until the Debenture Trust Deed and the relevant security documents are executed and until the listing and trading approval in respect of the NCDs is obtained by our Company; and
- g) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

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 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, have been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents / advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company’s assets inspected by its officers and/or external auditors / valuers / consultants / lawyers / technical experts / management consultants appointed by the Debenture Trustee.
- b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.
- c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
- d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.
- e) The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time.

Other confirmations

The Debenture Trustee undertakes that the 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.

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 HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED DECEMBER 23, 2021, AS PER THE FORMAT SPECIFIED IN ANNEXURE A OF DT CIRCULAR WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**
 - A. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**
 - B. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
 - C. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
 - D. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS / PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**
 - E. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM.**
 - F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

Our Company and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Company, as per SEBI NCS Regulations applicable for the proposed NCD Issue.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website of the Lead Manager <https://www.sundaecapital.com/track-record/>.

The Lead Manager is not an associate of the Company as provided under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE. An application will be made to the BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the 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.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Bankers to the Issue, (d) Lead Manager, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) Chief Financial Officer, (j) Public Issue Account Bank and/or Sponsor Bank, (k) Refund Bank, Lead Brokers / Consortium Members, and (l) lenders have been or will be duly obtained from them and the same will be filed along with a copy of the Prospectus with the ROC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus with the Stock Exchanges.

Our Company has received written consent dated November 30, 2021 from T R Chadha & Co, LLP, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with the SEBI NCS Regulations, in this Draft Prospectus and in respect of their (i) auditors' reports, dated December 23, 2021 on our Reformatted Financial Information and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has appointed Catalyst Trusteeship Limited as the Debenture Trustee under Regulation 8 of the SEBI NCS Regulations. The Debenture Trustee has given its consent to our Company for its appointment as Debenture Trustee to the Issue, pursuant to the SEBI NCS Regulations and for its name to be included in this

Draft Prospectus, and in all related advertisements, communications to the NCD holders or filings pursuant to the Issue, which is enclosed as Annexure III.

Expert Opinion

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

Our Company has received written consent from ICRA Limited, to include the credit rating and rationale letter, dated December 08, 2021, in respect of the credit rating issued for the NCDs to be issued pursuant to this Issue which furnishes the rationale for its rating.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of the Prospectus with the Registrar of Companies.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI 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 the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within eight working days from the date of closure of the Issue or such time as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by the our Company in unblocking the aforesaid ASBA Account within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was 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 included in the Operational Circular.

Filing of the Draft Prospectus

The Draft Prospectus has been filed with the Stock Exchange in terms of SEBI NCS Regulations for dissemination on their website. The Draft Prospectus has also been displayed on the website of our Company and the Lead Manager.

Filing of the Prospectus with the RoC

The Prospectus shall be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, housing finance companies registered with National Housing Board that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our

Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 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.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. 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.

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and informed the Debenture Trustee regarding the creation of 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.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at the International Securities Identification Number level assigned to the NCDs issued under the Issue.

Underwriting

This Issue shall not be underwritten.

Change in Auditors of our Company during the last three years

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
T R Chadha & Co. LLP	B-30, Connaught Place, Kuthiala Building, New Delhi – 110001, India	29/09/2021	-	-
Walker and Chandiook & Co., LLP	6 th Floor, Plot No. 19A, Sector 16A, Noida – 201 301, India	22/08/2019	-	28/08/2021
Deloitte Haskins & Sells	7 th Floor, Building 10, Tower B DLF Cyber City Complex DLF City Phase – II. Gurugram - 122 002 Haryana, India	07/05/2010	22/08/2019	-

Issue Related Expenses

The expenses of this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Members/Lead Brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. The estimated break-up of the total expenses shall be as specified in the Prospectus. For further details see, "Objects of the Issue" on page 49 of this Draft Prospectus.

Revaluation of Assets

Our Company has not revalued its loan assets in the last five Financial Years.

Reservation

No portion of this Issue has been reserved.

Utilisation of Proceeds

Our Board of Directors certifies that:

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
3. Details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
4. Details of all unutilised monies out of issue of NCDs, 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 the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;
5. The Issue proceeds 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;
6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Draft Prospectus in "Issue Structure" on page 152 of this Draft Prospectus;
7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
8. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 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.

Previous Issue(s)

Details of utilisation of proceeds of previous issues by our Company in the last three years are as follows:

1. Except as stated in "Capital Structure", and "Financial Indebtedness" on pages 42 and 121 of this Draft Prospectus, respectively, our Company has not made any other issue of non-convertible debentures in the last three years which are outstanding as on the date of this Draft Prospectus. The proceeds from the previous issuance of non-convertible debentures by the Company have been utilised in accordance with the use of proceeds set out in the respective offer documents and / or information memorandums under which such non-convertible debentures were issued which include, inter alia, to augment long-term resources of the Company, for on-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company. Other than as specifically disclosed in this Draft Prospectus, our Company has not issued any securities for consideration other than cash.
2. Our Company has not made any public or rights issue of Equity Shares in the last three years

3. The Company has raised funds for augmenting its capital adequacy requirements, long-term resources for meeting funding requirements for its business purposes and for general corporate purposes by way of private placement of debentures, secured euro medium term notes and qualified institutions placement of Equity Shares in the last three years. The funds have been fully utilised in accordance with the objects of the above-mentioned issuance of debentures and equity shares on private placement basis.

Benefit/ interest accruing to Promoters/ Directors out of the Object of the Issue

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

Details regarding the Company, its Subsidiaries 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

There are no Subsidiaries and/or other listed companies under the same management or associate companies as described under the Companies Act, 2013, which have made any capital issuances during the previous three years from the date of this Draft Prospectus.

Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, which made any capital issue during the last three years

Nil

Utilisation of proceeds by our Group Companies

Our Company does not have any Group Companies.

Details regarding lending out of Issue proceeds and loans advanced by the Company

A. Lending Policy

Please see “Our Business” at page 75 of this Draft Prospectus.

B. Loans/advances to associates, entities/persons relating to Board, senior management or Promoter or group entities out of the proceeds of previous issues:

Company has not provided any loans or advances to associates, entities or persons relating to the Board, senior management or Promoter out of the proceeds of the previous issues of debt securities.

C. Type of loans:

The detailed break-up of the type of loans including bills receivables given by our Company as on March 31, 2021 is as follows:

S. No.	Particulars	Amount (₹ in lakhs)	Percentage of AUM
1	Secured	2,19,852.7	100%
2	Unsecured	0	0%
	Total	2,19,852.7	100%

D. Sectoral Exposure as on March 31, 2021:

Sr. No.	Segment wise break up of AUM	Percentage of AUM
1	Retail	100%
	Mortgages (home loans and loans against property)	100%
	Gold loans	-
	Vehicle finance	-
	MFI	-
	MSME	-
	Capital market funding (loans against shares, margin funding)	-
	Others	-
2	Wholesale	-

Infrastructure	-
Real estate (including builder loans)	-
Promoter funding	-
Any other sector (as applicable)	-
Others	-
Total	100%

E. Denomination of loans outstanding by ticket size as on March 31, 2021 :

S. No.	Ticket Size	Percentage of AUM
1	Up to INR 2 lakh	0.61%
2	INR 2-5 Lakh	14.53%
3	INR 5-10 Lakh	37.98%
4	INR 10-25 Lakh	36.12%
5	INR 25-50 Lakh	8.30%
6	INR 50 Lakh - 1 crore	1.94%
7	INR 1-5 crore	0.51%
8	INR 5-25 crore	0.00%
	Total	100.00%

F. Denomination of loans outstanding by LTV* as on March 31, 2021:

S. No.	LTV	Percentage of AUM
1	0-40%	31.53%
2	40-50%	21.06%
3	50-60%	19.17%
4	60-70%	13.17%
5	70-80%	12.49%
6	80-90%	2.58%
7	90%+	0.01%
	Total	100.00%

* LTV at the time of origination.

G. Geographical classification of Company's borrowers as on March 31, 2021:

S. No.	Top Five States	Percentage of AUM
1	Rajasthan	33.37%
2	Maharashtra	18.91%
3	Madhya Pradesh	16.53%
4	Gujarat	9.09%
5	Uttar Pradesh	6.19%
	Total	84.09%

H. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2021

	Amount (₹ in lakhs)
Total Advances to twenty largest borrowers	1,951.7
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	0.96%

I. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2021

	Amount (₹ in lakhs)
Total Exposures to twenty largest borrowers/Customers	2,080.75
Percentage of Exposures to twenty largest borrowers to total exposures of the Company s	0.95%

J. Details of loans overdue and classified as non – performing assets in accordance with the RBI guidelines as at March 31, 2021

Movement of Gross NPA

Particulars	Amount (₹ in lakhs)
Opening balance	1,956.92
Additions during the year	2,781.99
Reductions during the year	1,120.21
Closing balance	3,618.69

Movement of provisions for NPAs (excluding provision on standard assets)

Particulars	Amount (₹ in lakhs)
Opening balance	676.71
Provision made during the year	892.92
Write off / write back of excess provision	420.39
Closing balance	1,149.24

Segment –wise gross NPA as on March 31, 2021

Segment	Segment wise break up of Gross NPA	Gross NPA (%)
Home Loan	2,075	1.66%
LAP	1,544	1.97%
Total	3,619	1.78%

K. Residual Maturity Profile of Assets and Liabilities as on March 31, 2021

Particulars	(₹ in lakhs)								
	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 years & upto 5 years	Over 5 years	Total
Advances	2,076	2,089	2,085	6,263	12,524	51,692	49,013	72,375	1,98,117
Investment	14,514	7,920	12,507	1,597	2,847	1,857	101	25	41,368
Borrowings	1,452	4,075	1,666	14,496	17,287	62,514	31,877	15,761	1,49,129
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

L. Concentration of Exposure and NPA as of March 31, 2021

Particulars	Amount (₹ in lakhs)
	FY 2021
Exposure	2,03,358.42
Gross NPA	3,619.77

M. Promoter Shareholding

Please refer to the chapter “Capital Structure” on page 42 of this Draft Prospectus for details with respect to changes in Promoter shareholding in our Company during the last financial year beyond the threshold as specified by RBI.

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, please see “Financial Indebtedness” on page 121.

Dividend

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by the 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. Our Company has not declared any dividend during the last three financial years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated [●], between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight 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 may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the application 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:

Skyline Financial Services Private Limited

SEBI registration number: INR000003241

D-153/A, 1st Floor

Okhla Industrial Area, Phase - I

New Delhi - 110 020, India

Telephone: +91 11 40450193-97

E-mail Id: compliances@skylinerta.com

Contact person: Alok Gautam

Website: www.skylinerta.com

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 fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

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

Ms. Mukti Chaplot

Company Secretary and Compliance Officer

6th Floor, Plot No. 15

Sector - 44, Institutional Area

Gurugram - 122 002, Haryana, India

Tel No: +91 124 413 1813

Email: mukti.chaplot@indiashelter.in

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

Reservations / Qualifications / Adverse Remarks or Emphasis of Matter by Auditors

There are no reservations or qualifications or adverse remarks or emphasis of matter by the Statutory Auditors in the financial statements of our Company in the last three financial years immediately preceding this Draft Prospectus.

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 under SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Caution

Attention of the applicants is specifically drawn to the provision 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*

Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue. The detailed press release of the Credit Rating Agency along with rating rationale adopted (not older than one year on the date of opening of the issue):

The NCDs proposed to be issued under the Issue have been rated “[ICRA] A (read as ICRA A) (Outlook: Stable)” for an amount of ₹ 21,500 lakhs by ICRA Limited vide their rating letter dated November 02, 2021 and has reaffirmed the same vide letter dated December 15, 2021. The rating of the NCDs by ICRA indicates adequate degree of safety regarding timely servicing of financial obligations and carry 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 Annexure II of this Draft Prospectus for the rating letter, the rating rationale and the press release of the above rating.

Name(s) of the stock exchange(s) where the debt securities or non- convertible redeemable preference shares are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s):

The NCDs offered through this Prospectus are proposed to be listed on BSE. Our Company has obtained an ‘in-principle’ approval for the Issue from BSE vide their letter bearing reference no. [●] dated [●]. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

If debt securities or non- convertible redeemable preference shares are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund, where applicable, is being/has been created as specified by the Board:

The NCDs are proposed to be listed only on BSE, which shall also be the Designated Stock Exchange for the purpose of the Issue.

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, as amended from time to time, and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for the purpose of this Issue and informed the Debenture Trustee regarding the creation of 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.

The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued: Nil

Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability:

We have contingent liabilities, which could adversely affect our business and results of operations. As at March 31, 2021, our contingent liabilities aggregated to ₹ 11,779.35 lakhs in accordance with Ind AS 37.

Particulars	(₹ in lakhs) For the Year ended March 31, 2021
e) In respect of following:	
- Income Tax matters	445.50
f) Commitments	
- Loan Financing	11,022.64
g) Over collateralisation for securitisation	309.16
h) Capital Commitments	2.05

Any material event / development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities: Nil, except as disclosed in the Draft Prospectus

Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project: Not Applicable

Except as mentioned under the chapter “Capital Structure” on page 42 of the Draft Prospectus, our Promoter and Promoter Group or Directors of our Company has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Draft Prospectus.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Title of Article	Article Number and contents
Applicability of Table “F”	<p>1. The regulations contained in Table ‘F’ in Schedule I to the Companies Act, 2013 (Table ‘F’), as are applicable to a public company limited by shares, shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table ‘F’, the provisions of these Articles shall prevail.</p> <p>The Regulations for the management of the Company and for the observance of the Members thereof and their representatives shall be such as are contained in these Articles, subject to exercise of the statutory powers of the Company with reference to the repeal of, alteration of, addition to, substitution of, modifications or variations of its regulations /Articles, as prescribed under Section 5 and Section 14 of the Companies Act, 2013.</p>

INTERPRETATION

Title of Article	Article Number and contents
Interpretation Clause	<p>2. In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:</p> <p>“Act” means the Companies Act, 1956 to the extent still in force and the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force and shall include the rules issued thereunder.</p> <p>“Additional Director” has the meaning ascribed to it in Article 101.</p> <p>“Additional Shares” has the meaning ascribed to it in Article 13(III).</p> <p>“Affiliate” of a Person (the Subject Person) means,</p> <p>in the case of any Subject Person other than a natural person, any other person that, either directly or indirectly through one or more intermediate persons and whether alone or in combination with one or more other persons, Controls, is Controlled by or is under common Control with the Subject Person, provided that, without prejudice to the generality of the foregoing, where the Subject Person is an Investor, the term Affiliate, shall be deemed to include any fund, collective investment scheme, trust, partnership (including any co-investment partnership), special purpose or other vehicle or any subsidiary or Affiliate (in accordance with (a) above) of any of the foregoing, which is managed and/ or advised exclusively by that investor’s group or that investor’s investment manager and/ or investment advisor or an Affiliate (in accordance with (a) above) of the investment manager and/ or investment advisor, or any other fund under the management or advice of that Investor or any of its Affiliates (in accordance with (a) above) or companies/ entities under the same management as that Investor; provided further that the term Affiliate shall not include any portfolio company into which that Investor has invested,</p> <p>in the case of any Subject Person that is a natural Person,</p> <p>any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, is Controlled by the Subject Person,</p> <p>any other Person who is an immediate family member of such Subject Person; or any member of a Hindu undivided family of which such Subject Person is a karta or member.</p>

Title of Article	Article Number and contents
	<p>“AIH” means Aravali Investment Holdings, a limited liability company incorporated in Mauritius and having its registered office at IFS Court, Twenty Eight, 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius.</p> <p>“Alternate Director” has the meaning ascribed to it under Article 100.</p> <p>“Annual General Meeting” means a General Meeting of the Members held in accordance with the provision of Section 96 of the Act.</p> <p>“Applicable Law” means any Indian statute, law, regulation, ordinance, rule, judgement, rule of law, order, decree, ruling, bye-law, approval of any Indian Competent Authority, directive, guideline, policy, clearance, requirement or other Indian governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Indian Competent Authority having jurisdiction over the matter in question.</p> <p>“Articles” mean these Articles of Association of the Company.</p> <p>“Auditors” means and includes those Persons appointed as such for the time being of the Company.</p> <p>“Board” means the board of directors of the Company.</p> <p>“Big 4” means Deloitte Touche Tohmatsu, Pricewaterhouse Coopers, Ernst & Young, and KPMG and their local affiliates.</p> <p>“Business” means the business of a housing finance institution without accepting public deposits, as defined in the NHB Act and such other activities that the Company engages in from time to time.</p> <p>“Business Day” means any day which is not (a) a Saturday or Sunday; nor (b) a day on which banks in India and Mauritius are closed for ordinary banking business.</p> <p>“Business Plan” means the business plan as referred by the Company at the First Closing Date.</p> <p>“Capital” means the share capital for the time being raised or authorised to be raised for the purpose of the Company.</p> <p>“Cause” shall have the same meaning as ascribed to such term under the CEO/MD agreement;</p> <p>“CEO” has the meaning ascribed to it in Article 98(f) of these Articles;</p> <p>“CEO/MD agreement” means the definitive agreement dated 1st February, 2017 as executed by the Company with the Promoter and / or any amendments thereof, governing the terms of employment of the Promoter as the CEO/MD of the Company including Addendum to CEO / MD agreement dated November 9, 2017, executed between the Company and the Promoter.</p> <p>“The Chairman” means the Chairman of the Board.</p> <p>“Charge” means an interest or lien created on the property or assets of the Company or any of its undertakings or both as security and includes a mortgage.</p> <p>“Claim Period” has the meaning ascribed to it in Article 34C (5).</p>

Title of Article	Article Number and contents
	<p>“Company” means India Shelter Finance Corporation Limited, formerly known as Satyaprakash Housing Finance India Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 6th Floor, Plot No-15, Sector-44, Institutional Area, Gurgaon, Haryana, and this term shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.</p> <p>“Competent Authority” means any Indian governmental, quasi-governmental, statutory, departmental, regulatory or public body constituted by any statute or ordinance or a court of competent jurisdiction or other authority, including but not limited to the Ministry of Commerce and Industry, Registrar of Companies, the Reserve Bank of India and the Foreign Investment Promotion Board.</p> <p>“Competitor” means:</p> <p>any Person engaged in the Business;</p> <p>any person engaged in a ‘Financial Services Business’, (other than any Financial Investor); or</p> <p>any person engaged in any other business in competition with the Business whether the Person is registered under the NHB Act or not,</p> <p>and includes any Affiliate of such Competitor.</p> <p>“Consent” means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by an Indian Governmental Authority, including the Reserve Bank of India, the Securities and Exchange Board of India, or any other authority, or the Shareholders, the creditors or any third party under any Applicable Law or contract to which a Person is subject.</p> <p>“Control” or “Controlled” means, with respect to the Company, the ownership, directly or indirectly, of more than 50% of the voting securities of such company, or the control over the composition of the board of directors of such company or if the shareholding in such company entitles the owner to receive distributable profits exceeding 50% thereof and, with respect to any Person that is not a company, the power to direct the management or policies of such Person, whether by operation of law, by contract, or otherwise. The terms “Controlling”, and “under common Control” shall be construed accordingly.</p> <p>“Director” means a director of the Company and any alternate of such director appointed in accordance with the Act and the Articles.</p> <p>“Drag Right” has the meaning ascribed to it in Article 198 of these Articles.</p> <p>“Drag Sale” has the meaning ascribed to it in Article 198 of these Articles.</p> <p>“Dragging Investors” has the meaning ascribed to it in Article 198 of these Articles.</p> <p>“Equity Shares” mean the fully or partially paid up equity shares of the Company of a face value of Rs. 10 each.</p> <p>“ESOP Pool” means the cumulative pool of Equity Shares earmarked and reserved by the Company to implement its ESOP Scheme and / or other benefits, , as authorised by the Board and Shareholder(s) of the Company, from time to time,</p>

Title of Article	Article Number and contents
	<p>including 24,25,994 (Twenty Four Lakhs Twenty Five Thousand Nine Hundred Ninety Four).</p> <p>“ESOP Scheme” means the schemes of 2011 and/or 2012 and/or 2017 of the Company pursuant to which Equity Shares under the ESOP Pool were authorized by the Board.</p> <p>“Events of Default” means: breach of any provision of SSSHA which results in a Material Adverse Change; or any inaccuracy in the Representations and Warranties which results in a Material Adverse Change; or the occurrence of a Material Adverse Change except a Material Adverse Change which has occurred post the First Closing Date and has not been caused due to any action or inaction on the part of, and is not within the control of the Company and Promoter.</p> <p>“Executor” or “Administrator” means a Person who has obtained probate or letter of administration, as the case may be from a Court of competent jurisdiction and includes holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.</p> <p>“Exercising Investor” has the meaning ascribed to it in Article 34C(3).</p> <p>“Excess Percentage Holding” shall mean the shareholding held by a Majority Investor (together with its Affiliates) over and above the Threshold Holding;</p> <p>“Exit Period Cut-Off Date” has the meaning ascribed to it in Article 34F(1).</p> <p>“Extra-Ordinary General Meeting” or “Meeting” means an extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.</p> <p>“FCPA” has the meaning ascribed to it in Article 150.</p> <p>“Financial Investor” shall mean any asset management companies, private equity/venture capital entities (incorporated as limited liability partnerships, trusts or companies), who are normally engaged in the business of investing funds of third parties for purely financial returns; provided that any fund, collective investment scheme or trust sponsored by any Person engaged in a Financial Services Business (and its Affiliates) having a commitment of more than 26% (twenty six percent) of the total fund shall not be considered a "Financial Investor".</p> <p>“Financial Services Business” has the meaning ascribed to "Other Financial Services" in paragraph 5.2.26 of the Consolidated FDI Policy Circular of 2016, as amended on October 25, 2016 and from time to time.</p> <p>“First Closing Date” shall mean the date as more appropriately referred to in the SSSHA, on which, the allotment of Investors First Tranche Subscription Equity Shares (<i>as defined in the SSSHA</i>) has been made to the respective Investor(s) in terms of the provisions of the SSSHA.</p> <p>“Fully Diluted Basis” means the total of all classes and series of Shares outstanding combined with all options (including both issued and unissued employee stock options which are reserved in the current ESOP Pools) and convertible securities of all kinds already issued and to be issued pursuant to</p>

Title of Article	Article Number and contents
	<p>SSSHA and the effect of any anti-dilution right regarding previous and future financings, all on an “as if exercised” or “as if converted” basis.</p> <p>“Governmental Approvals” means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice, of, with or to, as the case may be, any Governmental Authority.</p> <p>“Governmental Authority” means any government and includes any authority, department, agency, semi-governmental or judicial or quasi-judicial or administrative entity or instrumentality of any government; any competent court or arbitral tribunal, any international organization, agency or authority; including, without limitation, any stock exchange or any self-regulatory organization, established under any Applicable Law.</p> <p>“Indian GAAP” means the Indian Generally Accepted Accounting Principles.</p> <p>“Investors” means Nexus, Sequoia, WestBridge and Madison.</p> <p>“INR” means Indian Rupees.</p> <p>“Inter-se Shareholding” of one Person vis-à-vis certain other Persons (the Person and the certain other Persons together referred to as the said Persons) means the proportion that the number of Shares held by the said Person and its Affiliates on a Fully Diluted Basis bears to the aggregate number of Shares held by all the said Persons and their Affiliates on a Fully Diluted Basis.</p> <p>“IPO” means an initial public offering of the Shares of the Company pursuant to which Shares of the Company will be listed on a nationally recognized stock exchange.</p> <p>“Joint Investor Director” has the meaning ascribed to it in Article 98(b).</p> <p>“Investor Director” means the nominee Director(s) of the Investors on the Board, as described more particularly in Article 98(b).</p> <p>“Investor Majority Consent” means (i) at the Board meeting, the affirmative consent of at least 2 (two) Investor Directors (other than the Joint Investor Director) nominated by 2 (two) different Large Investors who are not Affiliates;; and (ii) at the Shareholders’ meeting or in any other instance, the affirmative consent of at least 2 (two) different Large Investors (or its representatives) who are not Affiliates or the written consent of at least 2 (two) different Large Investors who are not Affiliates.</p> <p>“Investor ROFR Expiry Date” means the 24th (twenty-fourth) month anniversary of the First Closing Date.</p> <p>“Investor Shares” means collectively, the Sequoia Shares, the Nexus Shares, the WestBridge Shares and the Madison Shares.</p> <p>“Investors’ Securities Sale” has the meaning ascribed to it in Article 34F(4).</p> <p>“Large Investor” means Nexus, Sequoia or WestBridge.</p> <p>“Large Investor Tag Along Right” has the meaning ascribed to it in Article 34EB(a).</p> <p>“Legal Representative” means a Person who in law represents the estate of a deceased Member.</p>

Title of Article	Article Number and contents
	<p>“Liquidation Event” means any transaction or a series of related transactions in which all the shareholders of the Company prior to such transaction(s) do not retain, in the aggregate, more than 50% of the voting power of the Company or 50% of the outstanding securities (on a fully diluted basis) of the Company after closure of such transaction.</p> <p>“Madison” means Madison I and Madison II.</p> <p>“Madison I” means Milestone Trusteeship Services Private Limited, a company incorporated in under the laws of India and having its registered office at 602, Hallmark Business Plaza, Opposite Gurunak Hospital, Bandra East, Mumbai-400051 (“Milestone”), acting as the trustee of Madison India Opportunities Trust Fund.</p> <p>“Madison II” means Madison India Opportunities IV, a company incorporated in the Republic of Mauritius under the Companies Act, 2001, and having its principal office at C/o CIM fund Services Limited, 33, Edith Cavell Street, Port-Louis, Mauritius.</p> <p>“Madison Shares” means collectively, the 2,379,954 (Two Million Three Hundred and Seventy Nine Thousand Nine Hundred and Fifty Four) Equity Shares held by Madison, the Madison First Tranche Subscription Equity Shares (as defined in the SSSHA), the Madison Second Tranche Subscription Equity Shares (as defined in the SSSHA) and any other Shares acquired by Madison from time to time. .</p> <p>“Majority Investor” means a Large Investor or any other Person whose shareholding in the Company exceeds 49% of the issued and outstanding Equity Shares of the Company.</p> <p>“Managing Director” or “MD” has the meaning ascribed to it in Article 126A.</p> <p>“Material Adverse Change” means any event, occurrence, fact, condition, development, effect or change which materially and adversely affects (a) the Business, operations, condition (financial), operating results, operations of the Company or the ability of the Company to carry on its Business, (b) the Representations and Warranties, (c) the continued ability of the Company to perform its material obligations under these Articles, (d) the legality, validity or enforceability of the rights or remedies of any Investor under these Articles or any of the transactions contemplated under these Articles or the rights or remedies of the Investors and Promotes, (e) Consents issued in favour of the Company, and/ or (f) assets, properties and liabilities of the Company.</p> <p>“Members” means the duly registered holders, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.</p> <p>“Memorandum” means the Memorandum of Association of the Company.</p> <p>“Minimum Equity Percentage (MEP)” means:-</p> <p>(a) in relation to each of the Large Investors, the holding of at least 13% (thirteen percent) of the Share capital of the Company on a Fully Diluted Basis by such Large Investors individually (together with each such Investor’s Affiliates). Provided that if at any time, any Large Investor or other Person (by itself or together with its Affiliates) becomes a Majority Investor, then the MEP for each Large Investor shall on and from the date such Person becomes a Majority Investor shall stand revised to mean the holding of at least 15% (fifteen percent) of the Share capital. Provided further that, shareholding of (i) Sequoia I and Sequoia III shall be calculated collectively for the purpose of this definition; (ii) the shareholding of Nexus III and Nexus Opp Fund shall be calculated collectively for the purpose of</p>

Title of Article	Article Number and contents
	<p>this definition; and (iii) the shareholding of WCF and AIH shall be calculated collectively for the purpose of this definition.</p> <p>(b) in relation to the Promoter the holding (together with his Affiliates) of at least 1.25% of the Share capital of the Company on a Fully Diluted Basis; provided that any rights in these Articles that are linked to the Promoter holding MEP shall also require that he has not ceased to hold the position of CEO/MD of the Company.</p> <p>“Minority Investor Full Tag Along Right” has the meaning ascribed to it in Article 34EA.1.</p> <p>“Minority Investor Pro Rata Tag Along Right” has the meaning ascribed to it in Article 34EA.2.</p> <p>“Minority Tag Exercising Investor(s)” has the meaning ascribed to it in Article 34EA(1).</p> <p>“Minority Voting Party” has the meaning ascribed to it in Article 34EA(1).</p> <p>“Month” means a period of thirty days and a “Calendar month” means an English Calendar Month.</p> <p>“Nexus” means Nexus III and Nexus Opp Fund.</p> <p>“Nexus III” means Nexus Ventures III, Ltd., a company incorporated in the Republic of Mauritius under the Companies Act, 2001, and having its principal office at C/o CIM fund Services Limited, 33, Edith Cavell Street, Port-Louis, Mauritius.</p> <p>“Nexus Opp Fund” means Nexus Opportunity Fund II, Ltd., a company incorporated in the Republic of Mauritius under the Companies Act, 2001, and having its principal office at C/o CIM fund Services Limited, 33, Edith Cavell Street, Port-Louis, Mauritius.</p> <p>“Nexus Investor Director” has the meaning ascribed to it in Article 98(b).</p> <p>“Nexus Shares” means collectively, the 9,961,798 (Nine Million Nine Hundred and Sixty One Thousand Seven Hundred and Ninety Eight) Equity Shares held by Nexus, the Nexus First Tranche Subscription Equity Shares (as defined in the SSSHA), the Nexus Second Tranche Subscription Equity Shares (as defined in the SSSHA) and any other Shares acquired by Nexus from time to time.</p> <p>“NHB Act” means the National Housing Bank Act, 1987.</p> <p>“NHB” means the National Housing Bank.</p> <p>“Non-Dragging Investor” has the meaning ascribed to it in Article 198(a).</p> <p>“Options” has the meaning ascribed to it in the definition of ‘Promoter Entitlements’.</p> <p>“Original Director” has the meaning ascribed to it in Article 100.</p> <p>“Office” means the registered office for the time being of the Company</p> <p>“Paid-up” includes credited as paid up.</p> <p>“PCA” has the meaning ascribed to it in Article 150.</p> <p>“PFIC” has the meaning ascribed to it in Article 151 (2).</p> <p>“Pre-emption Notice” has the meaning ascribed to it in Article 13(III)(a).</p>

Title of Article	Article Number and contents
	<p>“Pre-emption Response” has the meaning ascribed to it in Article 13(III)(a).</p> <p>“Person” shall include an individual, an association, a corporation, a partnership, a joint venture, a trust, an unincorporated organisation, a joint stock company or other entity or organisation, including a government or political subdivision, or an agency or instrumentality thereof and/ or any other legal entity.</p> <p>“Promoter” means Mr. Anil Mehta.</p> <p>“Promoter Director” means Mr. Anil Mehta.</p> <p>“Promoter Entitlements” means: (i) the Promoter Shares; (ii) 575,000 employee stock options granted and vested to the Promoter pursuant to the ESOP Pool (as governed by the ESOP Scheme) (“Options”); (iii) Right to subscribe to 355,000 fully paid Equity Shares, granted to the Promoter pursuant to agreement dated June 08, 2016 (First Right to Subscribe Agreement); (iv) Right to subscribe, subject to Applicable Law to 200,000 fully paid Equity Shares, granted to the Promoter pursuant to arrangement agreed inter-se the Company and the Promoter (Second Right to Subscribe Arrangement) and (v) the Shares acquired by the Promoter in terms of the provisions of 5B.1 of SSSHA.</p> <p>“Promoter Event of Default” means any of the following events: any action taken by the Company at the behest of the Promoter with respect to any of the Reserved Matters without following the procedure laid down in these Articles; any transfer or attempted transfer of Shares by the Promoter in contravention of the provisions of Article 34 and Articles 34A to 34F of these Articles;) breach of any of Clauses 1, 2, 3, 5, 6, 7, 16, 24(b), 24(c) and 24(d) of Schedule 2 of SSSHA;) any fraud, embezzlement, theft, commission of a felony, or dishonesty or similar act or omission by the Promoter, in the course of his Employment or service or association with the Company; in case the Promoter has engaged in acts which are materially detrimental to the interests of the Company due to wilful gross negligence or wilful misconduct in the carrying out of their duties or obligations in the course of his Employment or service or association with the Company;) a breach by the Promoter of any of material terms and conditions of these Articles or any of the other Transaction Documents which has not been cured within 90 days of receipt of a notice from the Company or either Investor; or) the Promoter being charged with and detained in judicial or police custody for more than 60 days for any crime including those involving moral turpitude, fraud or misrepresentation, committed by the Promoter in the course of his employment.</p> <p>“Promoter Shares” means the 620,367 (six hundred twenty thousand three hundred and sixty seven) Equity Shares held by the Promoter in the Company as on the date of SSSHA, and all additional Shares acquired by the Promoter from time to time, including any Shares acquired pursuant to the Promoter Entitlements.</p> <p>“Promoter Unrestricted Shares” means 620,367 (six hundred twenty thousand three hundred and sixty seven) Equity Shares held by the Promoter.</p> <p>“Proposed Subscriber” shall have the meaning ascribed to it in Article 13.</p> <p>“Purchasing Investor” has the meaning ascribed to it in Article 34EB.</p> <p>“Redistributed Voting Threshold” shall mean 25% (Twenty Five Percent) of issued and outstanding Equity Shares of the Company.</p> <p>“Receiving Investor” has the meaning ascribed to it in Article 34C(4).</p>

Title of Article	Article Number and contents
	<p>“Related Party” means the Relatives of any of the Directors or the Promoter or other Shareholders and includes entities owned or Controlled by such Directors or the Promoter or other Shareholders, or their Relatives.</p> <p>“Relative” shall have the meaning ascribed to it under Section 2 (77) of the Act.</p> <p>Remuneration” shall have the same meaning as ascribed to such term under the CEO/MD agreement;</p> <p>“Representations and Warranties” means the representations and warranties as set out in Clause 7 and Schedule 2 of the SSSHA.</p> <p>“Reserved Matters” means those matters listed out in Article 145.</p> <p>“ROFR offer Period” has the meaning ascribed to it in Article(d) 34C(1).</p> <p>“Sale Price” has the meaning ascribed to it in Article 34C(1).</p> <p>“Sale Shares” has the meaning ascribed to it in Article 34C(1).</p> <p>“Sale Terms” has the meaning ascribed to it in Article 34C(1).</p> <p>“Second ROFR Offer Period” has the meaning ascribed to it in Article 34C(3).</p> <p>“Selling Party” has the meaning ascribed to it in Article 34C(1).</p> <p>“SM” means Mr. Srinath Mukherji, a citizen of India resident at C-302/3 Central Park 01, Sector 42, Gurgaon, 122011, Haryana</p> <p>“Sequoia” means Sequoia I and Sequoia III.</p> <p>“Sequoia I” means Sequoia Capital India Growth Investments I, a company incorporated in the Republic of Mauritius under the Companies Act, 2001, and having its principal office at 5th Floor, Ebene Esplanade, 24 Cyber City, Ebene - Mauritius.</p> <p>“Sequoia III” means Sequoia Capital India Investments III, a company incorporated in the Republic of Mauritius under the Companies Act, 2001, and having its principal office at 5th Floor, Ebene Esplanade, 24 Cyber City, Ebene – Mauritius.</p> <p>“Sequoia Shares” means collectively 3,619,336 (Three Million Six Hundred and Nineteen Thousand Three Hundred and Thirty Six) Equity Shares held by Sequoia and any other Shares acquired by Sequoia from time to time.</p> <p>“Sequoia Investor Director” shall have the meaning ascribed to it in Article 98(b).</p> <p>“Significant Change” shall mean a materially adverse change in the Promoter’s position, status, duties, responsibilities or remuneration involving a diminution therein which is not corrected within 7 days of the Promoter’s written notice to the Board that he does not consent to such a materially adverse change.</p> <p>“Shareholder” means any Person who holds any Shares in the Company.</p> <p>“Shares” means the equity shares, fully paid up compulsorily convertible cumulative preference shares or any other security issued by the Company, including any instruments or obligations convertible into Shares.</p> <p>“SPA” means a share purchase agreement dated February 26, 2021, executed between Sequoia, AIH and the Company in relation to the transfer of 7,537,566</p>

Title of Article	Article Number and contents
	<p>(seven million five hundred and thirty-seven thousand five hundred and sixty-six) Equity Shares of the Company by Sequoia to AIH.</p> <p>"SPA First Tranche Closing Date" shall have the meaning ascribed to the term "First Closing Date" under the SPA.</p> <p>"SPA Second Closing Date" shall have the meaning ascribed to the term "Second Closing Date" under the SPA.</p> <p>"SSSHA" means the Share Subscription and Shareholders' Agreement dated October 5, 2017 executed by the Investors, the Promoter, Mr. Srinath Mukherji and the Company together with the recitals, the Annexures and documents executed and delivered pursuant thereto, if any including the Amendment Agreement dated March 9, 2021 executed between the Investors, the Promoter, Mr. Srinath Mukherji and the Company.</p> <p>"Tag Along Large Investor" has the meaning ascribed to it in Article 34EB(a) below.</p> <p>"Tag Along Right" has the meaning ascribed to it in Article 34E.</p> <p>"Tag Exercising Investor" has the meaning ascribed to it in Article 34E.</p> <p>"The Registrar" means the Registrar of Companies of the Union Territory in which the Registered Office of the Company is for the time being situated.</p> <p>"Threshold Holding" shall mean 50% (fifty percent) of the issued and outstanding Equity Shares of the Company;</p> <p>"Trade Sale" has the meaning ascribed to it in Article 34F(1).</p> <p>"Tranche 2 Subscription" has the meaning ascribed to it in Clause 5A of the SSSHA.</p> <p>"Transfer Notice" has the meaning ascribed to it in Article 34C(1).</p> <p>"Transaction Documents" means the SSSHA, Memorandum, these Articles, and all other ancillary and incidental agreements executed pursuant to or in relation to the SSSHA.</p> <p>"Transferring Shareholders" shall have the meaning ascribed to it in Article 34EB(a).</p> <p>"UKBA" has the meaning ascribed to it in Article 150.</p> <p>"Voting Majority Investor" shall have the meaning ascribed to it in Article 82.</p> <p>"WCF" means WestBridge Crossover Fund, LLC, a limited liability company incorporated in Mauritius and having its registered office at 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius.</p> <p>"WestBridge" means collectively, WCF and AIH.</p> <p>"WestBridge Shares" means collectively, the 10,854,151 (Ten Million Eight Hundred and Fifty Four Thousand One Hundred and Fifty One) Equity Shares held by WestBridge, the WestBridge First Tranche Subscription Equity Shares (as defined in the SSSHA), the WestBridge Second Tranche Subscription Equity</p>

Title of Article	Article Number and contents
	<p>Shares (as defined in the SSSHA) and any other Shares acquired by WestBridge from time to time.</p> <p>“Year” means the calendar year and “Financial Year” in relation to the Company means the period starting from 1st day of April and ending on the 31st day of March every year.</p> <p>The marginal notes hereto shall not affect the construction of the Articles.</p> <p>Words importing the masculine gender shall include the feminine gender and vice versa.</p> <p>“In Writing” and “Written” includes printing lithography and other modes of representing or reproducing words in a visible form.</p> <p>Words importing the Singular number include where the context admits or requires the plural number and vice versa</p> <p>All words and expressions used herein and not defined but defined in the Act shall have the meaning respectively assigned to them under the Act.</p> <p>All references in these Articles to statutory provisions shall be construed as meaning and including references to: any statutory modification, consolidation or re-enactment for the time being in force or made any time thereafter; all statutory instruments or orders made pursuant to a statutory provision; and any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.</p> <p>Headings to Articles and paragraphs are for convenience only and shall not form part of the operative provisions of these Articles and shall be ignored in construing the same.</p> <p>References to Articles or Regulations or clauses are, unless the context otherwise requires, to Articles of these Articles.</p> <p>Reference to days, months and years are to Gregorian days, months and calendar years respectively.</p> <p>The words “include” and “including” are to be construed without limitation.</p> <p>Any reference to holding of securities by any Person will also be deemed to include any joint holding of securities by the Person.</p> <p>The Company shall, on being so required by a Member, send to him within seven (7) days of the requirement and subject to the payment of such fees as may be prescribed in the rules for a copy of the Memorandum, the Articles or such other documents as specified in Section 17 of the Act.</p> <p>Any references to the rights, obligations and shareholding of Sequoia shall be deemed to be references to Sequoia I and Sequoia III collectively and Sequoia I and Sequoia III shall collectively be deemed to constitute one ‘Investor’ for the purposes of these Articles and shall exercise the rights jointly as a single Investor.</p> <p>Any references to the rights, obligations and shareholding of Nexus shall be deemed to be references to Nexus III and Nexus Opp Fund collectively and Nexus III and Nexus Opp Fund shall collectively be deemed to constitute one ‘Investor’ for the purposes of these Articles and shall exercise the rights jointly as a single Investor.</p>

Title of Article	Article Number and contents
	<p>Any references to the rights, obligations and shareholding of WestBridge shall be deemed to be references to WCF and AIH collectively and WCF and AIH shall collectively be deemed to constitute one 'Investor' for the purposes of these Articles and shall exercise the rights jointly as a single Investor.</p> <p>Any references to the rights, obligations and shareholding of Madison shall be deemed to be references to Madison I and Madison II collectively and Madison I and Madison II shall collectively be deemed to constitute one 'Investor' for the purposes of these Articles and shall exercise the rights jointly as a single Investor.</p> <p>All time periods for sale, purchase or subscription to Shares under this Agreement shall be computed after excluding the time taken for obtaining any permission from a Governmental Authority (including the NHB or the Reserve Bank of India) for such transaction.</p> <p>In case the shareholding of any Investor is below the specific threshold for exercising certain rights under these Articles, such Investor shall continue to have other rights which are available to an Investor, for which no threshold has been prescribed under these Articles.</p>

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	<p>3. The authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum of Association each Share with rights, privileges and conditions attached thereto as are provided by these Articles for the time being, with power to Board of Directors to increase, consolidate, divide, sub-divide, re-classify and cancel and reduce the Share Capital of the Company and to convert Shares into stocks and re convert that and to divide the Shares for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with these Articles and to vary, modify, amalgamate or abrogate any such rights, privileges in such manner as may for the time being be provided in these Articles.</p> <p>If and whenever the Capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise.</p> <p>Subject to the provisions of these Articles and the Act, the Company may from time to time by special resolution increase its authorized Share Capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.</p> <p>Subject to the provisions of the Act and these Articles, the Shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.</p> <p>The Shares shall be numbered progressively according to their several denominations, where applicable.</p>
Increase of Share Capital by the Company	<p>4. Subject to the terms of these Articles and the provisions of the Act, the Company may in General Meeting, from time to time, by special resolution and with consent of the Board of Directors of the Company, increase its Share Capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued</p>

Title of Article	Article Number and contents
	<p>upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 61 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Company shall file a notice in the prescribed Form SH-7, within 30 (thirty) days of such increase along with a copy of the altered Memorandum, in accordance with Section 64 of the Act.</p>
Non-Voting Shares	<p>5. The Board shall have the power to issue a part of authorised Capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to Applicable Law.</p>
Redeemable Preference Shares	<p>6. Pursuant to Section 43(b) and subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares by way of a special resolution, which are liable to be redeemed within 20 (Twenty) years from the date of issue and may redeem such shares in any manner provided in the Act and the rules issued thereunder and may issue Shares upto the nominal amount of the Shares redeemed or to be redeemed.</p>
Provisions to apply on issue of Redeemable Preference Shares	<p>7. On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions-shall take effect.</p> <p>No such Shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>No such Shares shall be redeemed unless they are fully paid.</p> <p>The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the Shares are redeemed.</p> <p>Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the capital redemption reserve account, a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up Share Capital of the Company.</p> <p>Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of capital	<p>8. The Company may (subject to the provisions of Section 66 of the Act and other applicable provisions, if any, of the Act and the rules issued thereunder, and subject to the confirmation by the Tribunal and subject always to the rights of the Investors herein) from time to time by special resolution reduce its Share Capital and in particular may pay off any paid up Share Capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its Shares accordingly.</p> <p>Provided that no such reduction shall be made if the Company is in arrears in the repayment of any deposits it may have accepted, or the interest payable thereon.</p>
Buy back of Shares	<p>9. Subject to the provisions of these Articles and the provisions of Sections 67 to 69 of the Act and any other applicable provision of the Act including the</p>

Title of Article	Article Number and contents
	rules issued thereunder, the Company may purchase its own shares or other specified securities.
ESOPS	<p>10. The Company is authorized to issue employee stock option Shares from the ESOP Pools to its employees, officers and Directors at such price and pursuant to such incentive arrangements as shall be determined and approved by the Board or any duly constituted committee of the Board.</p> <p>The Promoter shall not be required to transfer its Shares to the ESOP Pool or to the employees exercising their stock options.</p> <p>The ESOP Pools shall comprise not more than 24,25,994 Shares and such number of shares as may be allocated and approved by the Board and Shareholder(s) of the Company in ESOP Pools, from time to time, on a Fully Diluted Basis.</p> <p>The stock options being granted or issued by the Company to its employees, officers or Directors shall vest in accordance with the ESOP Schemes approved by the Board or any duly constituted committee of the Board.</p> <p>The grant of stock options from the ESOP Pools to the senior management shall be subject to the approval of the Board or its committee at all times in accordance with the provisions of the Act.</p>

VARIATION OF RIGHTS

Title of Article	Article Number and contents
Variation of rights	<p>11. Subject to the rights of the Investors set out herein, whenever the Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing of the holders of not less than three-fourth of the issued Capital of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of Shares of that class, provided the provision with respect to such variation is not prohibited by the terms of issue of the Shares of that class or by any other provision contained in these Articles or Memorandum of the Company.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless the provision with respect to such variation is not expressly prohibited in terms of the Memorandum or these Articles or by the terms of the issue of Shares of that class, be deemed not to be varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment	12. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Section 39 of the Act.
Further issue of shares	13. I. General Any issue of Shares shall be subject to and must be in compliance with the provisions of the Act and the provisions of these Articles including Article 13 and Article 145.
	II. [Intentionally deleted]
	III. Pre-emptive Rights In the event that the Company proposes to raise additional funds from any Person (including but not limited to, any Shareholder) (“ Proposed Subscriber ”) by issuing additional Shares (“ Additional Shares ”), other than the Investors Second

Title of Article	Article Number and contents
	<p>Tranche Subscription Equity Shares (<i>as defined in the SSSHA</i>) or shares pursuant to ESOPs, the Company shall first provide the Investors a copy each of the binding written offer received from the Proposed Subscriber which contains key terms of the proposed issuance such as the number of Shares proposed to be issued, the issue price thereof and the aggregate amount to be raised through such issuance, together with the name, address and telephone number of the Proposed Subscriber, along with the number of Additional Shares that may be issued to the Investors in order to maintain their then prevailing shareholding at the issue price at which the Shares are proposed to be issued to the Proposed Subscriber (“Pre-emption Notice”). Within 30 (thirty) days of the receipt of the Pre-emption Notice, the Investors shall communicate to the Company in writing whether they wish to subscribe, either by themselves or through any of their Affiliates, to the Additional Shares on preferential basis to maintain their shareholding at the then prevailing shareholding percentage (“Pre-emption Response”). The Company shall then take all steps, within 15 (fifteen) days of the receipt of the amount representing the Pre-emption Response, to issue Shares to the subscribing Investor (or its Affiliate) in the manner and to the extent specified in the Pre-emption Response by the relevant Investor.</p> <p>Where one Investor fails to exercise its pre-emptive right provided under Article 13(III)(a) within the prescribed time period, the Company may issue the Shares or other securities within a period of 60 (sixty) days in respect of which such Investor was entitled to exercise the pre-emptive right to the Proposed Subscriber at a price and upon terms no more favourable to the Proposed Subscriber than specified in the Pre-emption Notice provided that the Proposed Subscriber shall have prior to such issue executed a deed of adherence substantially in the form set forth in Part B of Schedule 5 of SSSHA. It is hereby clarified that if the Company proposes to issue Shares or other securities in respect of which the Investors were entitled to exercise the pre-emptive right to the Proposed Subscriber at a price and/ or upon terms more favourable to the Proposed Subscriber than specified in the Pre-emption Notice, the Company shall once again be obligated to offer the Shares or the securities (as the case may be) to the Investors in the manner contemplated under this 13(III). If the proposed issuance does not occur within sixty (60) days, the Company shall not thereafter issue or sell any Additional Shares, without first offering such Additional Shares in the manner provided in this Article. Failure by an Investor to exercise its option to subscribe for Additional Shares with respect to one offering and issuance of the Additional Shares shall not affect its right to subscribe for Additional Shares in any subsequent offering.</p> <p>All Shareholders and the Company shall carry out and accomplish all required corporate actions and execute all documents to give effect to the actions envisaged under this Article 13(III).</p> <p>The Tranche 2 Subscription shall not attract any of the provisions set out in this Article 13.</p>
<p>Power also to Company in General Meeting to issue Shares</p>	<p>14. Subject to the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of these Articles and Section 62 of the Act, determine that any Shares (whether forming part of the original Capital or of any increased Capital of the Company) shall be offered to such Persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any Person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any</p>

Title of Article	Article Number and contents
	other provision whatsoever for the issue, allotment, or disposal of any Shares.
Shares at a discount	<p>15. Pursuant to Sections 53 and 54 of the Act, the Company shall not issue Shares at a discount and any Share issued by the Company at a discounted price shall be void.</p> <p>Notwithstanding anything contained in Section 53, pursuant to Section 54 of the Act, the Company may issue sweat equity Shares of a class of Shares already issued at discount, subject to fulfillment of the following conditions:</p> <p>The issue is authorized by a special resolution passed by the company. The resolution specifies the number of Shares, the current market price, consideration if any, and the class or classes of Directors or employees to whom such Equity Shares are to be issued; and</p> <p>Not less than one Year has, at the date of such issue, elapsed since the date on which the Company had commenced Business.</p> <p>The rights, limitations, restrictions and provisions as are for the time being applicable to the sweat equity Shares issued under this Article 15 shall rank <i>pari passu</i> with other equity shareholders.</p>
Installments of Shares to be duly paid	<p>16. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the Person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>17. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>18. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every Person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Lien on Shares	<p>19. The Company shall have a first and paramount lien—</p> <p>on every Share (not being a fully paid Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and</p> <p>on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him/her or his/her estate to the Company:</p> <p>Provided that, subject to the provisions of the Articles, the Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.</p> <p>The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.</p> <p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien.</p>

Title of Article	Article Number and contents
	<p>Provided that no sale shall be made—</p> <p>unless a sum in respect of which the lien exists is presently payable; or</p> <p>until the expiration of 14 (Fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered Shareholder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p>
<p>Call on Shares</p>	<p>20. The money, if any which the Board shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p> <p>The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.</p> <p>Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.</p> <p>A call may be revoked or postponed at the discretion of the Board.</p> <p>A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.</p> <p>The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p> <p>If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10 (ten) per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> <p>Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p> <p>The Board may, if it thinks fit, (i) receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate</p>

Title of Article	Article Number and contents
	not exceeding, unless the Company in General Meeting shall otherwise direct, 12 (twelve) per cent per annum, as may be agreed upon between the Board and the Member paying the sum in advance.
Liability of Members	21. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the Capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
Dematerialization of securities	22. Either upon the Company or upon either of the Investors exercising an option to hold their securities with a depository in a dematerialised form, the Company shall enter into an agreement with a depository acceptable to the Investors to enable the Investor to dematerialise the securities, in which event the provisions of the Depositories Act, 1996 shall apply.
Options to receive security certificates or hold securities with depository	22A. Every Person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a Person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allotted as the beneficial owner of that Security.
Securities depositories to be in fungible form	22B. All Securities held by a depository shall be dematerialized and shall be in a fungible form; nothing contained in Section 89 of the Act shall apply to a depository in respect of the Securities held by it on behalf of the beneficial owners.
Rights of depositories and beneficial owners	22.C (1) Notwithstanding anything to the contrary contained in the Articles or any other law for the time being in force, a depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner; (2) Save as otherwise provided in (1) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it; (3) Every Person holding Equity Share Capital of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a Member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.
Depository To Furnish Information	22.D Every depository shall furnish to the Company information about the transfer of Securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Option to Opt out in respect of any security	22E. If a beneficial owner seeks to opt out of a depository in respect of any Security, the beneficial owner shall inform the depository accordingly. The depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.
Sections 45 and 56 of the Act not to apply	22F. Notwithstanding anything to the contrary contained in the Articles, (1) Section 45 of the Act shall not apply to the Shares held with a depository; (2) Section 56 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

Title of Article	Article Number and contents
Share certificate ¹	<p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name and shall be entitled to receive within 2 (Two) months after incorporation, in case of subscribers to the Memorandum or after allotment or within 1 (One) month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—</p> <p>(i) 1 (one) certificate for all his/her Shares without payment of any charges; or</p> <p>(ii) several certificates, each for one or more of his/her Shares, upon payment of INR 20 (Rupees Twenty) for each certificate after the first.</p> <p>(iii) every certificate shall be under the Seal and shall specify the Shares to which it relates and the amount Paid-up thereon.</p> <p>(iv) in respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p> <p>Two or more Director, or the secretary if authorized by the Board for the said purpose, shall sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. Provided that, if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than the Managing Director or a whole-time Director of the Company.</p> <p>All blank forms to be issued for share certificates shall be printed through computer printing and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or other persons aforesaid shall be responsible for rendering an account of these forms to the Board.</p> <p>The Managing Director of the Company, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation, and the safe custody of all books and documents, relating to the issue of Share certificates except the blank forms of Share certificates referred to in sub clause (d) of this Article.</p> <p>All the books and documents referred to in this Article shall be preserved in good order permanently.</p> <p>The provisions of the Articles 23 to 32 shall <i>mutatis mutandis</i> apply to Debentures of the Company.</p>

Title of Article	Article Number and contents
Limitation of time for issue of certificates	<p>23A. Pursuant to Section 56 (4), every Member shall be entitled, without payment, to 1 (one) or more Certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors may from time to time to approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each or one or more of such Shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case maybe. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several Persons shall be sufficient delivery to all such holders.</p>
Renewal of share certificates	<p>23. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilized unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p> <p>The Company may charge such fee as the Board thinks fit, not exceeding INR 50/- (Rupees Fifty) per certificate issued on splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out.</p>
New certificate to be granted on delivery of the old certificates	<p>24A The duplicate share certificate shall not be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and without the payment of such fees as the Board thinks fit, not exceeding INR 50/- (Rupees Fifty) per certificate and on such reasonable terms, such as furnishing supporting evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced.</p> <p>The duplicate Share certificates shall be issued within a period of 3 (three) months, from the date of submission of complete documents with the Company.</p>
The first name joint holder deemed sole holder ²	<p>If any Share(s) stands in the name of 2 (two) or more Persons, the Person first named in the register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p> <p>When a new share certificate has been issued in pursuance of Article 13, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Issued in lieu of Share Certificate No. _____”. The word “Duplicate” shall be stamped or punched in bold letters across the face of the share certificate.</p> <p>Where a new Share certificate has been issued in pursuance of Article 27, particulars of every such share certificate shall be entered in a “Register of Renewed And Duplicate Certificates” indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new Share certificate is issued, and the necessary</p>

Title of Article	Article Number and contents
	changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
Company not bound to recognize any interest in Shares other than of registered holder	Except as ordered by a Court of competent jurisdiction or as by Law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the Person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any 2 (two) or more Persons (but not exceeding 4 (four) Persons) or the survivor or survivors of them.
Trust recognized	Shares may be registered in the name of an incorporated company or other body corporate but not in the name of a minor or of a Person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.
Declaration by Person not holding beneficial interest in any Shares	<p>(1) Where the name of a person is entered in the Register of Members of the Company as the holder of Shares but who does not hold the beneficial interest in such Shares, such person shall make a declaration within such time and in such form as may be prescribed to the Company, specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.</p> <p>(2) every person who holds or acquires a beneficial interest in Share of the Company shall make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand registered in the books of the Company and such other particulars as may be prescribed as provided in the Act.</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, within a period of thirty days from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.</p> <p>(4) Notwithstanding anything contained in the Act and Articles 28 and 29 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within thirty (30) days from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration with such fees or additional fees as may be prescribed within the time specified under Section 403 of the Act.</p>
Funds of Company not to be applied in purchase of Shares of the Company	No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of Capital is effected and sanction in pursuance of Sections 52, 55 and 66 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any Person of or for any Share in the Company in its holding company.
Shares under control of Directors	Subject to the provisions of the Act and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Sections 53 and 54 of the Act) and at such time as they may from time to time think fit.

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	<p>Subject to the provisions of these Articles and the provisions of the Act, the Company may, subject to the applicable provisions of the Act, at any time pay a commission to any Person in consideration of his/her subscribing or agreeing to subscribe or such Person procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any Shares in or debentures of the Company, but the rate of such commission shall not exceed the permissible rates under the provisions of the Act. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or debentures or partly in the one way and partly in the other. Subject to the provisions of these Articles, the Company may also on any issue of Shares or debentures, pay such brokerage as may be lawful.</p> <p>There shall not be paid commission to any underwriter on securities which are not offered to the public for subscription.</p>
Brokerage	The Company may on any issue of Shares or debentures or on deposits pay such brokerage as may be reasonable and lawful.

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

TRANSFER AND TRANSMISSION OF SHARES

TRANSFER AND TRANSMISSION OF SHARES	
Transfer of Shares	<p>Transfers Generally</p> <p>Transfers in violation of these Articles</p> <p>Neither the Promoter, SM, the Investors nor any of their respective Affiliates shall transfer or attempt to transfer any Shares or any right, title or interest therein or thereto, except as expressly permitted by the provisions of these Articles. Any transfer or attempt by the Promoter, or the Investors or their respective Affiliates to transfer the Shares in violation of these Articles shall be null and void ab initio, and the Company shall not register any such transfer.</p> <p>Transfer by the Investors</p> <p>Subject to the provisions of Article 34.2.2 and Article 34A to 34 E but notwithstanding anything else contained under these Articles, the Investor Shares shall be freely transferable and nothing contained under these Articles shall apply to any transfer of the Investor Shares; provided that the purchaser of the Investor Shares shall have prior to such transfer executed a deed of adherence substantially in the form set forth in Part A of Schedule 5 to the SSSHA. It is hereby clarified that together with any transfer of the Investor Shares, the transferring Investor shall be entitled to transfer all or any of its rights and obligations under the SSSHA to the intended transferee; Provided that in case of a partial sale by any Investor, the Investor rights under Clause 9 (Corporate Governance) of the SSSHA shall not be partially transferred, and subject to MEP in case of a Large Investor, either continue to be fully vested in the transferor Investor or be fully transferred to the transferee upon mutual agreement between the transferor and transferee. All other rights including rights to dividend, anti-dilution protection, right of first refusal on transfer of shares by the Promoter, tag-along rights, etc. shall be applicable on a per-share basis on the shares transferred</p> <p>In case of any Transfer of Shares between two Large Investors resulting in the assignment or transfer of all rights of the transferring Large Investor to the transferee Large Investor, the transferee Large Investor shall, subject to holding</p>

	<p>MEP pursuant to the Transfer, be entitled to exercise the transferred rights in addition to the rights already held by it provided that, all rights are exercised by the transferee Large Investor in respect of its then held Shares (including as a result of such Transfer) as a single block. It is hereby clarified that for the purposes of the Investor Majority Consent, regardless of such Transfer, the affirmative consent of directors nominated by 2 (two) different Large Investors who are not Affiliates in case of a Board meeting and the affirmative/written consent of 2 (two) different Large Investors who are not Affiliates at a Shareholders' meeting, shall be required in respect of all matters under Article 145 of these Articles.</p> <p>Save and except any transfers pursuant to Article 198 of these Articles, no Shares can be transferred by any Shareholder (including any Investor) to a Competitor, without the consent of each Large Investor holding MEP.</p> <p>The Promoter and the Company shall provide all co-operation and assistance to the transferring Investor, including (i) providing any potential transferee and its authorized representatives with reasonable access to Company information (as part of the due diligence exercise to be undertaken by the potential transferee) and (ii) providing any assistance that may be required for obtaining Governmental Approvals in that regard.</p> <p>34.3 Transfers by the Promoters & SM:</p> <p>No transfer may be made by the Promoter, SM or any of their respective Affiliates that:</p> <p>(a) violates in any manner the provisions of Article 34E of these Articles or any other applicable provisions of these Articles;</p> <p>(b) is made without the transferee agreeing to be bound by the terms and conditions of these Article and SSSHA by executing a deed of adherence substantially in the form set out in Part A of Schedule 5 of the SSSHA (except if such transfer is pursuant to an IPO).</p> <p>Depositories</p> <p>The Company shall, wherever applicable, issue appropriate instructions to the depository not to transfer the Shares of any Shareholder except in accordance with these Articles and the SSSHA. The Company shall cause the Promoter to direct their respective depository participants not to accept any instruction slip or delivery slip or other authorization for transfer contrary to the terms of these Articles and the SSSHA.</p> <p>Intimation to Shareholders</p> <p>Within 30 (thirty) days after registering any transfer of Shares in its register of members, the Company shall send a notice to each Shareholder stating that such transfer has been completed and setting forth the name of the transferor, the name of the transferee and the number of Shares transferred.</p> <p>Extension of Timelines</p> <p>If any Governmental Approvals are required to consummate any transfer of Shares under these Articles, the timelines specified in the relevant Articles shall be extended, as shall be necessary, in order to obtain requisite Governmental Approvals (which the party requiring the Governmental Approval shall use its best efforts to obtain as promptly as practicable).</p> <p>Further Assurances</p> <p>Each Shareholder and the Company shall use commercially reasonable efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done,</p>
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	<p>all things necessary, proper or advisable under Applicable Law or otherwise to promptly consummate and make effective the transactions contemplated by these Articles; (ii) obtain all authorizations, consents, orders and approvals of, and give all notices to and make all filings with, all Governmental Authorities and other third parties that may be or become necessary for the performance of its obligations under these Articles and the consummation of the transactions contemplated by these Articles; and (iii) fulfil all conditions to such person's obligations under these Articles. Each of the Shareholders and the Company shall cooperate fully with each other in promptly seeking to obtain all such authorizations, consents, orders and approvals, giving such notices, and making such filings.</p> <p>No Share which is partly Paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or Person of unsound mind.</p>
Transfer Restrictions	<p>Subject to the provisions of these Articles, any transfer of Shares shall be subject to and must be in compliance with the provisions of Articles 34 to Article 34EB.</p> <p>Deleted</p>
Investor(s)' Right of First Refusal upon the Promoter Shares, Shares of SM and the Investor Shares	<p>Investor(s)' Right of First Refusal upon the Promoter Shares, Shares of SM and the Investor Shares</p> <p>Subject to Article 198 of these Articles, in the event of any of the Promoter, SM or the Investors ("Selling Party"), wishing to transfer any of the Shares ("Sale Shares") held by them in the Company to any Person who is not a Competitor, the Selling Party shall, by notice in writing ("Transfer Notice") to the Investors not intending to sell their Shares ("Non-Selling Investor"), notify the Non-Selling Investors of (i) the total number of Sale Shares proposed to be sold or transferred by such Selling Party, (ii) the terms and conditions of the transfer ("Sale Terms"), including price ("Sale Price"), and (iii) the name and other necessary particulars of the proposed purchaser. Within 15 (fifteen) days of receipt of such Transfer Notice ("ROFR Offer Period"), each Non-Selling Investor may agree to or refuse to buy all but not less than all of the Sale Shares in proportion to their Inter-se Shareholding on terms and conditions and at a price no less favourable than the Sale Terms and the Sale Price, and shall communicate the same to the Selling Party. Failure by a Non-Selling Investor to communicate its decision to buy the Sale Shares within the ROFR Offer Period shall be deemed to be a refusal by it to buy the Sale Shares.</p> <p>If a Non-Selling Investor communicates its refusal to buy the Sale Shares or fails to communicate its decision to buy Sale Shares pursuant to Article 34C(1) hereof, the Selling Party shall, subject to the provisions of Article 34E (Tag-Along) below (only if the Selling Party is the Promoter or SM), be free and fully entitled to sell and transfer the Sale Shares to the proposed purchaser on terms and conditions and at a price no less favourable than Sale Terms and Sale Price. Such sale and transfer of the Sale Shares to the proposed purchaser shall be completed within 15 (fifteen) days thereafter of expiration of the ROFR Offer Period. In the event of a failure to so consummate the sale within this stipulated period, the sale shall again be subject to the provisions of this Article 34.</p> <p>If any Non-Selling Investor(s) communicate their refusal to buy the Sale Shares or fails to communicate their decision to buy Sale Shares pursuant to Article 34C(1) ("Non-Exercising Investors") while the other Non-Selling Investor(s) hereof accept to buy the Sale Shares ("Exercising Investors"), the Selling Party shall immediately by notice ("Second Transfer Notice") in writing offer all but not less than all of the Non-Exercising Investor's proportion of the Sale Shares to the Exercising Investors. Within 15 (fifteen) days from the expiry of the Second Transfer Notice ("Second ROFR Offer Period"), if the Exercising Investors refuse to buy all but not less than all of the Non-Exercising Investors' proportion of Sale</p>

	<p>Shares, or fail to respond to the Second Transfer Notice, the Selling Party shall, subject to the provisions of Article 34E(b) below (only if the Selling Party is the Promoter), be free and fully entitled to sell and transfer the said portion of the Sale Shares to the proposed purchaser on terms and conditions and at a price no less favourable than Sale Terms and Sale Price. Such sale and transfer of the Sale Shares to the proposed purchaser shall be completed within 15 (fifteen) days thereafter of expiration of the Second ROFR Offer Period. In the event of a failure to so consummate the sale within this stipulated period, the sale shall again be subject to the provisions of this Article 34C.</p> <p>If any Non-Selling Investor communicates its acceptance to buy the Sale Shares from the Selling Party, the Selling Party shall:</p> <p>in the event all Non-Selling Investors communicate their acceptance, immediately upon receipt of such communication; and</p> <p>in the event one or more but not all of the Non-Selling Investors (“Receiving Investors”) communicate their acceptance, upon the expiry of the ROFR Offer Period or the Second ROFR Offer Period (as the case may be),</p> <p>deliver the Sale Shares free from all encumbrances and the Receiving Investors shall pay the Selling Party by direct remittance to their designated account the Sale Price. In the event a Receiving Investor fails to pay the Sale Price within 30 (thirty) days of the communication of its acceptance and provided that all the Sale Terms are adhered to and valid during such 30 (thirty) day period, the Receiving Investor shall be deemed to have refused to buy the Sale Shares and shall be liable to make good any direct and actual loss the Selling Party suffered as a result of such Receiving Investor first agreeing and later reneging on its promise to purchase the Sale Shares. Provided that if no claim is made by the Selling Party within 180 (one hundred and eighty) days from the expiry of 30 (thirty) days of the communication of acceptance of the right of first refusal by the receiving Investor (“Claim Period”) the Receiving Investor shall not be liable to compensate the Selling Party under this Article 34C. Notwithstanding the right of the Selling Party to call upon the Receiving Investor to make good the loss as above, the Selling Party shall be free and fully entitled to sell and transfer the Sale Shares, within the Claim Period, to the proposed purchaser or any other Person upon terms not more favourable than the Sale Terms, provided that the Selling Party shall not sell or transfer the Sale Shares to any Competitor, as long as the Investors hold Shares in the Company. In the event the Sale Shares are sold at a price less than Sale Price, then the Selling Party is only entitled to make a claim for the difference in amount of the Sale Price and the price paid on the sale of the Sale Shares. If the sale to the proposed purchaser does not take place during the Claim Period, the Selling Party shall not thereafter sell their Equity Shares, without first offering such Equity Shares to the Investors in the manner provided in this Article.</p> <p>It is however clarified that the time taken for obtaining any permission of the Governmental Authority including the NHB or the Reserve Bank of India, if required, for the purchase of Sales Shares by the Investors shall be excluded in computing the aforesaid period of 30 (thirty) days.</p> <p>Notwithstanding anything contained to the contrary herein, nothing in this Article 34C shall apply to an Investor as a Selling Party and an Investor transferring its Shares shall not be subject to any restrictions as a Selling Party under this Article 34C, after the Investor ROFR Expiry Date.</p>
<p>Investor(s)’ Right of First Refusal upon the Promoter Shares and SM’s Shares</p>	<p>34D</p> <p>Except for any transfers expressly contemplated under the SSSHA, the Promoter Shares and SM’s Shares shall be subject to the following restrictions:</p>

	<p>Unless otherwise specified in this Article 34D, or approved by way of Investor Majority Consent, the Promoter shall not sell the Promoter Shares (other than the Promoter Unrestricted Shares and Shares resultant of the Options) and SM shall not sell the Shares held by him until an IPO is made by the Company pursuant to which the Shares of the Company are listed on a recognized stock exchange or a Trade Sale is provided by the Company to the Investors as stipulated in Article 34 of these Articles. It is hereby clarified that any transfer of the Promoter Shares (other than the Promoter Unrestricted Shares and Shares resultant of the Options) or Shares held by SM, pursuant to an approval by way of Investor Majority Consent under this Article 34D(a) shall be subject to Article 34C and Article 34E of these Articles;</p> <p>Any Investor may in its discretion choose to provide liquidity to the Promoter or SM by agreeing to purchase a part of Promoter Shares or SM's Shares at any time prior to an IPO or a Trade Sale at a mutually agreed price to enable the Promoter to meet expenses of any urgent nature;</p> <p>in case the Promoter wishes to sell a part or whole of the Promoter Shares at any time before the expiry of 4 (four) years from the First Closing Date, such transfer shall be subject to the provisions of Article 34C and further no such transfer shall be made to a Competitor;</p> <p>Termination of the office of the Promoter pursuant the CEO/MD agreement:</p> <p>In case of termination of the office of the Promoter as CEO/MD of the Company, the Promoter Shares and the Promoter Entitlements shall be treated in the manner as provided in Clause 7E (v) of the CEO/ MD agreement.</p>
<p>Tag-Along on transfers by the Promoter or SM</p>	<p>34E.</p> <p>(a) In the event the Promoter or SM propose to sell all or any of the Equity Shares held by them in the Company to any Person prior to the IPO, then the Investor(s) failing to exercise or waiving its/their right of first refusal under Article 34C ("Tag Exercising Investor(s)") shall have the right to participate in proportion to the Inter-Se Shareholding of the Tag Exercising Investor(s) vis-à-vis the Promoter or SM ("Tag Along Right").</p> <p>(b) Upon the Tag Exercising Investor(s) exercising its/ their Tag Along Right, the Promoter and SM (as applicable), shall ensure that the relevant number of Shares held by the Tag Exercising Investor(s), determined as above are transferred along with the Shares being transferred by the Promoter or SM (as applicable), on the same terms and conditions.</p> <p>(c) The Tag Exercising Investor(s) shall effect its/ their participation in the sale by delivering to the Promoter or SM (as applicable), with a copy to the Company, for transfer to the buyer, a transfer form signed by the Tag Exercising Investor(s), which indicates the number of Investor Shares which the Tag Exercising Investor(s) elects to sell.</p> <p>(d) An Investor shall not be entitled to exercise the Tag Along Right under this Article 34E, if it has purchased Shares upon exercise of its right of first refusal upon the Promoter Shares or SM's Shares under Article 34C.</p>
<p>Minority Investor Tag-Along Right on transfers by a Majority Investor</p>	<p>34EA.</p> <p>In the event a Majority Investor does not consent to a Trade Sale and subsequently it proposes to sell all or any of the Equity Shares held by it in the Company to any Person it shall provide written notice of its proposal to each Investor which expressed its willingness to sell its entire shareholding in the Trade Sale ("Minority Tag Exercising Investor(s)") and such Minority Tag Exercising Investor shall have the right to sell, up to all its Shares in the Company to such Person along with the Majority Investor ("Minority Investor Full Tag Along").</p>

	<p>Right”).</p> <p>In all cases other than Article 34EA(1) above, in the event a Majority Investor proposes to sell all or any of the Equity Shares held by it in the Company to any Person, then it shall provide written notice of its proposal to the other Investors who shall have the right to sell their Shares in the Company in proportion to their Inter-se Shareholding (and in a manner proportionate to the Shares proposed to be transferred by the Majority Investor), to such Person along with the Majority Investor (“Minority Investor Pro Rata Tag Along Right”).</p> <p>Upon the Minority Tag Exercising Investor(s) exercising its/ their Minority Investor Full Tag Along Right, the Majority Investor shall ensure that all Shares held by the Minority Tag Exercising Investor(s) are transferred along with the Shares being transferred by the Majority Investor, at the same price per Share and on the same terms and conditions as those applicable to the Majority Investor.</p> <p>Upon the Investor(s) exercising its/ their Minority Investor Pro Rata Tag Along Right, the Majority Investor shall ensure that the relevant number of Shares held by each Investor(s), determined as above in Article 34EA(2) are transferred along with the Shares being transferred by the Majority Investor, at the same price per Share and on the same terms and conditions as those applicable to the Majority Investor.</p> <p>An Investor shall effect its participation in the Minority Investor Full Tag Along Right or Minority Investor Pro Rata Tag Along Right, as the case may be, by delivering to the Promoter and the Majority Investor, with a copy to the Company, for transfer to the purchaser, written notice which indicates the number of Investor Shares which such Investor elects to sell. However, the purchaser shall only have a right and not any obligation to purchase all the Shares offered by the Investors under this Article. In the event the purchaser communicates an intention to purchase lesser number of Shares than those proposed to be transferred by the Investors, the Shares to be transferred by the triggering Majority Investor and by the other Investors pursuant to the Minority Investor Pro Rata Tag Along Right, shall stand reduced proportionately.</p> <p>It is hereby clarified that the rights under Article 34EA(1) and 34EA(2) shall be available to an Investor for each proposed transaction involving a sale of Shares by a Majority Investor under the circumstances outlined under Article 34EA(1) and 34EA(2) above and not just the first such transaction.</p> <p>It is clarified that while the underlying sale by the Majority Investor is subject to the right of first refusal under Article 34C (as applicable), any transfers pursuant to the exercise of the Minority Investor Full Tag Along Right or the Minority Investor Pro Rata Tag Along Right under this Article shall not be subject to such transfer restrictions.</p>
<p>Tag Along Right on acquiring Majority Investor</p>	<p>34EB</p> <p>(a) In the event a Large Investor or any other Person (“Purchasing Investor”) proposes to acquire additional Shares (whether by a way of combination of a primary transaction and a purchase of Shares from existing Shareholders or solely by way of a purchase of Shares from existing Shareholders) which includes a purchase of Shares from any existing Shareholders “Transferring Shareholders”), either by way of a single transaction or a series of related transactions (which may be a combination of primary and secondary transaction(s) or only secondary transaction(s)), such that the Purchasing Investor’s resultant Shareholding after completion of such transaction or series of related transactions, will exceed 49% of the issued and outstanding Equity Shares of the Company and thereby result in the Purchasing Investor becoming a Majority Investor, the Purchasing Investor shall provide written notice (“Tag Along Notice”) of its proposal to the other Large Investors (“Tag Along Large Investor(s)”) and each Tag Along Large Investor shall have the right to sell, all (and not part) of its Shares in the Company to the Purchasing Investor along with the Transferring Shareholders (“Large Investor Tag Along Right”).</p>

	<p>(b) Upon the Tag Along Large Investor(s) exercising its/ their Large Investor Tag Along Right, the Purchasing Investor shall ensure that all Shares held by the Tag Along Large Investor(s) are purchased along with the Shares being transferred by the Transferring Shareholders at the highest price per Share being paid by the Purchasing Investor in the single transaction or in the series of related transactions and on the same terms and conditions.</p> <p>(c) The Tag Along Large Investor(s) shall effect its/ their participation in the sale by delivering to the Promoter, the Transferring Shareholder and the Purchasing Investor, with a copy to the Company, for transfer to the Purchasing Investor, a written notice signed by the Tag Along Large Investor(s), within 15 days of receipt of the Tag Along Notice from the Purchasing Investor.</p> <p>(d) For avoidance of doubt, it is clarified that (i) no rights under this Article 34EB shall be available in respect of acquisitions made by a Large Investor solely by way of subscription to new securities of the Company; and (ii) the right under this Article 34EB shall be applicable with respect to a Purchasing Investor with respect to the first transaction or series of related transactions pursuant to which a Large Investor becomes a Majority Investor and every subsequent secondary purchase of Shares from an existing Shareholder by such Majority Investor thereafter, in accordance with the procedure set out above; provided however, that in the event of an exercise of such right pursuant to a subsequent secondary purchase of Shares by the Majority Investor: (i) such tag along right may be exercised only with respect to all (and not part) of the Shares held by the Tag Along Large Investor; and (ii) the price per Share shall be determined in accordance with Article 34EB(b) only with respect to such subsequent transaction (or subsequent series of related transactions) and not with respect to any prior acquisitions made by the Majority Investor.</p> <p>(e) It is clarified that while the underlying acquisition by the Large Investor is subject to the right of first refusal under Article 34C (as applicable), any transfers pursuant to the exercise of the Large Investor Tag Along Right under this Clause shall not be subject to such transfer restrictions.</p>
IPO or Trade Sale	<p>34F.</p> <p>The Promoter and the Company shall endeavour to provide to the Investors an exit subject to Applicable Law, either by way of (a) an IPO as contemplated under Article 34F(2) or (b) a sale of the entire shareholding of the Company to a third person (“Trade Sale”), within 4 (four) years from the First Closing Date (“Exit Period Cut-Off Date”). Subject to other provisions of the SSSHA and these Articles, the Promoter and the Company shall not be liable for any consequences if despite best endeavours the Company is not able to come out with an IPO or arrange a Trade Sale.</p> <p>The terms, timing and final pricing of the IPO shall be subject to consent of the Large Investors in accordance with Article 145. The IPO shall be based on the advice of a reputed investment banker and structured to maximize the value for the Shareholders. In case of an IPO, the Investors and the Promoter shall have the right, but not the obligation, to offer for sale part/ all of the Investor Shares/ Promoter Shares in the IPO, subject to compliance with Applicable Law. The Investors shall, at their discretion, have the right to offer more than their proportionate shareholding in the IPO.</p> <p>If upon the expiry of the Exit Period Cut-Off Date, an IPO or a Trade Sale has not been consummated then the Large Investors shall subject to the Investor Majority Consent have the right to require a merchant banker be appointed by the Company and a Trade Sale or an IPO to be consummated within 6 (six) months from the expiry of the Exit Period Cut-Off Date. In the event of such an IPO, the Promoter shall comply with the process under Applicable Law and make available their</p>

	<p>Equity Shares as to supplement the Investor Shares to meet the minimum regulatory requirements for listing. The Company shall provide full support and bear all expenses for such an IPO or Trade Sale (including underwriting and selling costs)</p> <p>If within a period of 6 (six) months from the expiry of the Exit Period Cut-Off Date as contemplated under Article 34F(4), the Company is unable to consummate an IPO or a Trade Sale, then each Investor shall have the right to require the Promoter and/or the Company to facilitate an exit for the relevant Investors' Securities by consummating such Investors' Securities Sale within 90 (Ninety) days of receipt of such notice from such Investor(s). For the purposes of this Article 34F(5), an "Investors' Securities Sale" shall mean sale of such number of Investors' Securities as required by such Investor to a third Person acquirer identified by the Company and/or the Promoter and/or such Investor on such price and terms as acceptable to such Investor.</p> <p>If within a period of 12 (twelve) months from the Exit Period Cut-Off Date, each Investor who has exercised its rights under Article 34F(5) has been unable to complete an Investors' Securities Sale with respect to its Shares, then the provisions of Article 198 shall apply.</p> <p>All costs incurred under this Article 34F, shall be borne by the Company. For the sake of clarification, the costs of a secondary sale which is not covered under the provisions of this Article 34F(6) shall not be borne by the Company, but by the Shareholders individually.</p>
Form of transfer	The instrument of transfer of any Shares shall be in such form as may be prescribed under the Act and in writing, and all the applicable provisions of the Act for the time being in force shall be duly complied with, in respect of all transfers of Shares and the registrations thereof.
Application for transfer	<p>The instrument of transfer of securities held in physical form shall be in the prescribed form and the instrument, duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation is any, of the transferee, the date of its execution etc. shall be delivered to the Company within 60 (sixty) days from the date of such execution.</p> <p>The transfer of shares shall not be registered unless the Company gives notice in the prescribed form to the transferee and the transferee makes no objection to the transfer within 2 (two) weeks from the receipt of the notice.</p>
Execution of transfer	The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the register of Members in respect thereof. The requirements of provisions of Section 56 of the Act and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal representatives	A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc. when closed	The Company may close the Register of Members or the Register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate 45 (forty-five) days in each year, but not exceeding 30 (thirty) days at any one time, subject to giving of previous notice to its Members and a prior notice of at least 7 (seven) days in such manner as may be prescribed.
Directors may refuse to register transfer	Subject to the provisions of Section 58 of the Act, Section 22A of the Securities Contract (Regulation) Act, 1956 and all other laws, rules, regulations and statutory agreements, if any, applicable to the Company or any statutory modification thereof for the time being in force, the Directors may at any time in

	<p>their own absolute discretion and by giving reasons, decline to register or acknowledge any transfer of any Share and in particular may so decline in any case in which the Company has a lien upon the Shares desired to be transferred or any call or instalment regarding any of them remain unpaid or if the transferee is not approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a Member; in such cases, the Directors shall within a period of 30 (thirty) days from the date on which the instrument of transfer was or the intimation of such transmission, as the case may be, be delivered to the company send to the transferee and transferor notice of the refusal to register such transfer. The registration of transfer shall be conclusive evidence of the approval of the Directors of the transferee. Registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except in lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.</p> <p>The Board may decline to recognize any instrument of transfer unless—</p> <p>the instrument of transfer is in the form as prescribed in rules issued under the Act and the provisions of these Articles;</p> <p>the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;</p> <p>the transfer is in accordance with the terms and conditions set out in the Transaction Documents; and</p> <p>the instrument of transfer is in respect of only one class of Shares.</p> <p>The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same.</p>
Death of one or more joint holders of Shares	<p>Subject to section 72 of the Act, in case of the death of any one or more of the Persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only Persons recognised by the Company as having any title or interest in such Share but the Directors may require such evidence of deaths they may deem fit. However, nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other Person.</p>
Titles of Shares of deceased Member	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only Persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 and 56 of the Companies Act.</p>
Notice of application when to be given	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56(3) of the Act.</p>

Registration of Persons entitled to Shares otherwise than by transfer (Transmission Clause)	Subject to the provisions of the Act and Article 41 hereto, any Person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some Person nominated by him and approved by the Board registered as such Shareholder; provided nevertheless, that if such Person shall elect to have his nominee registered as a Shareholder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the “ Transmission Clause ”.
Refusal to register nominee	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a Person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	A Person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
No fees on transfer or transmissions	No fee shall be charged for registration of transfer, transmission Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar documents.
Transfer to be presented with evidence of title	Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
Regulatory approvals	If the transfer, sale or issue of Shares or other securities of the Company pursuant to the anti-dilution rights or pre-emptive rights require approvals from the Competent Authorities, the Company (and when necessary, the Investors) shall make the necessary applications to the concerned Competent Authorities. Further, in computing the period within which the transaction should be completed, the time required for obtaining the necessary approvals for the issue or transfer of the Equity Shares or other securities shall not be included. This exclusion of time shall be calculated from the date of making of the necessary applications to the date of receipt of approvals.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	Subject to Article 145, the Company may issue warrants subject to and in accordance with Applicable Laws and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
Deposit of share warrants	The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant Not more than one Person shall be recognized as depositor of the Share warrant. The Company shall, on two day's written notice, return the deposited share warrant to the depositor.
Privileges and disabilities of the holders of share warrant	Subject as herein otherwise expressly provided, no Person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	Subject to the provisions of Sections 180(1)(c) of the Act and these Articles including Article 145, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board and not by circular resolution, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up Capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the shall not borrow such money without the permission of the company by a special resolution. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called Capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued.

Title of Article	Article Number and contents
	<p>Provided that consent of the Members by way of special resolution would be necessary for security to be created on whole or substantially whole of the undertaking.</p> <p>For the purposes of this Article:</p> <p>“undertaking” shall mean an undertaking in which the investment of the Company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent. of the total income of the Company during the previous financial year;</p> <p>the expression “substantially the whole of the undertaking” in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year</p>
Terms of issue of Debentures	<p>Subject to Article 145 and the Applicable Law, any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a special resolution.</p>
Mortgage of uncalled capital	<p>If any uncalled Capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security has been executed.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Annual General Meeting	<p>The Company shall in each year hold 1 (one) General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.</p> <p>An Annual General Meeting of the Company shall be held in each calendar Year within 6 (Six) months following the end of the previous Financial Year of the Company provided that in case of the first Annual General Meeting, it shall be held within a period of 9 (nine) months from the date of closing of the first Financial Year of the Company and in any other case, within a period of six months, from the date of closing of the Financial Year. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 96, proviso of the Act to extend the time with which any Annual General Meeting may be held.</p> <p>Every Annual General Meeting shall be called at a time during business hours i.e. between 9 a.m and 6 p.m., on a day that is not a National holiday, and shall be held at the registered office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.</p> <p>Every Member of the Company shall be entitled to attend, either in Person or by proxy and the Auditors of the Company, shall have the right to attend, either by himself or through his authorized representative, who shall also be qualified to be an auditor and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of Share Capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act.</p>

Title of Article	Article Number and contents
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Extra-Ordinary General Meeting	All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
Requisitionists' meeting	<p>Subject to the provisions of Section 111 of the Act, the Directors shall on the requisition in writing of such number of Members as is required under Section 100 of the Act:-</p> <p>(a) give notice to members of any resolution which may be properly moved and is intended to be moved at the meeting;</p> <p>(b) circulate to members, any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.</p> <p>The Company shall not be bound to give notice of any resolution or circulate any statement unless:</p> <p>) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company; in case of requisition requiring notice of a resolution, not less than 6 (six) weeks before the meeting; and in the case of any other requisition, not less than two weeks before the meeting; and</p> <p>) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto</p> <p>Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered Office of the Company, an Annual General Meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by the Act, shall be deemed to have been properly deposited for the purposes thereof.</p> <p>) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other Person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter. An order made with respect to such application may also direct that the cost incurred by the company by virtue of section 111 of the Act shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.</p>
<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an ExtraOrdinary General Meeting</p>	<p>The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>If at any time there are not, within India, sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any 2 (two) or more Members of the Company holding not less than one-tenth of the total Paid up Share Capital of the Company, with the consent of any 1 Investor Director, may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
Contents of requisition, and number of requisitionists required and the conduct of Meeting	<p>) In case of requisition the following provisions shall have effect:</p> <p>) The requisition shall be signed by the requisitionists and shall be deposited at the registered Office of the Company.</p> <p>The requisition may consist of several documents in like form each signed by one or more requisitionists.</p>

Title of Article	Article Number and contents
	<p>The number of Members entitled to requisition a Meeting shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the Paid-up Share Capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>Where two or more distinct matters are specified in the requisition, the provisions of sub-article (c) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>If the Board does not within 21 (twenty-one) days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than 45 (forty-five) days from the date of the deposit of the requisition, the Meeting may be called by the requisitionists themselves within a period of 3 (three) months from the date of requisition.</p> <p>A meeting called under sub-article (e) of clause (1) by requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.</p> <p>Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-article (e) of Article 64(1) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 of the Act payable to such of the directors who were in default in calling the meeting.</p>
<p>Length of notice of Meeting</p>	<p>A General Meeting of the Company may be called by giving not less than 21 (twenty-one) days' notice in writing or through electronic mode in such manner as may be prescribed in the Act.</p> <p>A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto: in writing or through electronic mode by not less than 95 (ninty five) percent of the members entitled to vote at such meeting.</p> <p>The notice of every Meeting of the company shall be given to— (a) every Member of the company, legal representative of any deceased Member or the assignee of an insolvent Member; (b) the auditor or auditors of the company; and (c) every Director of the Company.</p> <p>Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other Person who is entitled to such notice for any Meeting shall not invalidate the proceedings of the Meeting.</p>
<p>Contents and manner of service of notice</p>	<p>Every notice of a Meeting of the Company shall specify the place, the date, the day and the hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>) to every Member of the Company, in any manner authorised by Section 20 of the Act;</p> <p>) to the Persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for ,the purpose by the Persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had</p>

Title of Article	Article Number and contents
	<p>not occurred; and to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 20 of the Act in the case of Members of the Company</p> <p>Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any Member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed.</p>
<p>Special and ordinary business and explanatory statement</p>	<p>) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to:-</p> <p>the consideration of the accounts, balance sheet, the profit and loss account statements the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place, of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>) In the case of any other meeting, all business shall be deemed special.</p> <p>Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director and the manager, if any; every other key managerial personnel and Relatives of these Persons; any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.</p> <p>PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the Paid up-Share Capital of the other company.</p> <p>Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
	<p>58 <i>[Intentionally left blank.]</i></p>
<p>Notice of business to be given</p>	<p>No meeting of the Shareholders shall be held unless at least 21 (twenty one) days prior written notice or a shorter written notice in compliance with the Act, of that meeting has been given to each Shareholder of the Company as per the provision of the Act. In the Shareholder's meeting, unless the representatives of all the Large Investors are present, only such agenda will be placed and taken up at the meeting as is specified in the notice or shorter notice to the Shareholders.</p>
<p>Quorum</p>	<p>The quorum for a General Meeting of the Shareholders shall be the presence of at least 1 (one) authorised representative of each Large Investor and the Promoter. It is hereby clarified that the Large Investors or the Promoter may respectively waive (in writing including by means of electronic mail) the requirement of the presence of their respective authorised representatives/the Promoter's presence, at such Meeting, and in such cases, the quorum requirement shall, subject to the provisions of the Act, not apply.</p> <p>A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Act.</p>
<p>If quorum not present when</p>	<p>If adequate quorum is not achieved at such General Meeting, the Meeting shall be adjourned to another date (not less than 7 (seven) days from the date of the adjourned</p>

Title of Article	Article Number and contents
Meeting to be dissolved and when to be adjourned	meeting) at the same place and same time as the original Meeting. If adequate quorum is not achieved at the adjourned General Meeting, then, notwithstanding anything contained herein but subject to the provisions of the Act, the Members then present shall constitute the quorum provided however that in respect of actions requiring consent under Article 145, requisite consent as contemplated thereunder and accordingly, the decision making process under Article 145(d) shall be complied with.
Resolution passed at adjourned Meeting	Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Chairman of General Meeting.	At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board is not present within 15 (fifteen) minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a special resolution.
Business confined to election of Chairman whilst the Chair is vacant	No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	<p>The Chairman may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.</p> <p>No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. In the Meetings, unless the representatives of all the Investors are present, only such agenda will be placed and taken up at the meeting as is specified in the notice or shorter notice to the Shareholders.</p> <p>When a Meeting is adjourned for 30 (thirty) days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.</p> <p>Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.</p>
How questions are decided at Meetings	All resolutions placed before a Shareholders' meeting shall be decided through a poll, in accordance with the provisions of the Act. Further, decisions on all matters other than the matters specified as a in Article 145 (Reserved Matters), shall be taken in accordance with Applicable Law. However, where any matter mentioned in Article 145 requires the approval of the Shareholders in a General Meeting, such matter will be subject to the Investor Majority Consent and the affirmative vote of the Promoter (if so required under Article 145).
Time of taking poll	A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Appointment of scrutinizers	Where a poll is to be taken, the Chairman of the Meeting shall appoint such number of persons as scrutinizers to scrutinise the vote given on the poll and to report thereon to

Title of Article	Article Number and contents
	him in the manner as may be prescribed. The Chairman of the meeting shall have the power to regulate the manner in which the poll shall be taken.
Demand for poll not to prevent transaction of other business	The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen (14) days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. The Company shall not, except on the grounds specified herein, prohibit any Member from exercising his voting right on any other ground.
Number of votes to which Member entitled	Subject to the provisions of these Articles, every Member of the Company holding any Equity Share Capital and otherwise entitled to vote shall, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, exercise his voting right in proportion to his share of the Paid-up Equity Share Capital of the Company. Provided however, if any preference Shareholder is present at any meeting of the Company, (save as provided in sub-section (2) of Section 47) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. However, it is hereby agreed that if a Majority Investor (together with its Affiliates) at any time, holds more than the Threshold Holding (“ Voting Majority Investor ”), then the voting rights in relation to the Excess Percentage Holding held by the Voting Majority Investor will be exercised by each of the Promoter, Sequoia, Nexus and WestBridge (so long as they are not the Voting Majority Investor at such time) (each, a “ Minority Voting Party ”) in proportion to their Inter-Se Shareholding. However, if such distribution of voting rights in relation to the Excess Percentage Holding results in any Minority Voting Party exercising voting rights in respect of Shares in excess of the Redistributed Voting Threshold (solely by reason of such distribution), then such Minority Voting Party shall only be entitled to exercise voting rights in respect of Shares up to the Redistributed Voting Threshold (including Shares actually held by it) and the remaining voting rights in relation to the Excess Percentage Holding shall be exercised by the remaining Minority Voting Parties in proportion to their Inter-se Shareholding. Such process will be repeated mutatis mutandis in the event that such further distribution has the same impact i.e., results in any Minority Voting Party

Title of Article	Article Number and contents
	<p>exercising voting rights in respect of Shares in excess of the Redistributed Voting Threshold.</p> <p>It is hereby clarified that in case there is only one Minority Voting Party in the Company at the relevant time and the redistribution process above would result in such Minority Voting Party being entitled to exercise voting rights in respect of Shares in excess of the Redistributed Voting Threshold (solely by reason of such distribution), then such Minority Voting Party shall only be entitled to exercise voting rights in respect of Shares up to the Redistributed Voting Threshold (including Shares actually held by it) and the remaining voting rights in relation to the Excess Percentage Holding exercised by the Voting Majority Investor.</p> <p>For the purpose of giving effect to this provision, each of the Investors hereby agree that they will issue appropriate proxies, power of attorney or other authorizations as may be required to the Minority Voting Parties for the purpose of facilitating the exercise of voting rights in relation to the Excess Percentage Holding or in excess of the Redistributed Voting Threshold, as the case maybe. If such proxies or authorizations cannot be issued for any reason whatsoever then, the Investors, hereby agree that as the Voting Majority Investor, they will exercise their voting rights in relation to the Excess Percentage Holding or in excess of the Redistributed Voting Threshold in such manner as instructed by the Minority Voting Parties in the proportion specified above.</p>
<p>Votes of Members of unsound mind</p>	<p>A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.</p>
<p>Votes of joint Members</p>	<p>If there be joint registered holders of any Shares, one of such Persons may vote at any Meeting Personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than 1 (one) of such joint holders be present at any Meeting either Personally or by agent or by proxy, that 1 (one) of the said Persons so present whose name appears higher on the register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a Person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such Person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several Executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.</p>
<p>Representation of body corporate</p>	<p>A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such Person as it thinks fit by a resolution of its Board or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or debenture-holders of the Company. A Person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p>

Title of Article	Article Number and contents
	Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such Person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a Person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.
Votes in respects of deceased or insolvent Members	Any Person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least 48 (forty-eight) hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
Voting in Person or by proxy	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Sections 112 and 113 of the Act.
Rights of Members to use votes differently	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other Persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Proxies	Subject to Applicable Laws, any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another Person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
Proxy either for specified meeting or for a period	An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof.
No proxy to vote on a show of hands	No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the registered Office of the Company at least 48 (forty-eight) hours before the time for holding the Meeting at which the Person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in given under the Act and the rules thereunder, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
Validity of votes given by proxy notwithstanding revocation of authority	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote

Title of Article	Article Number and contents
	objected to is given or tendered, and every vote, whether given Personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	<p data-bbox="511 703 1310 735">Constitution of the Board and Management</p> <p data-bbox="511 766 1310 871">Unless otherwise agreed between the Large Investors and the Promoter in writing, the total strength of the Board from the First Closing Date shall be 7 (seven) Directors, including 2 (Two) independent Directors acceptable to the Large Investors and the Promoter (“Independent Directors”).</p> <p data-bbox="511 903 1310 1186">With effect from the First Closing Date, the Board shall comprise of (i) Mr. Anil Mehta (“Promoter Director”), (ii) 1 (one) representative of Sequoia and/or its Affiliates (“Sequoia Investor Director”), (iii) 1 (one) representative of Nexus and/or its Affiliates (“Nexus Investor Director”), (iv) 1 (One) representative of WestBridge and/or its Affiliates (“WestBridge Investor Director”); and (v) 1 (one) representative jointly nominated by Sequoia, Nexus and WestBridge, and/or their Affiliates (“Joint Investor Director”). The Sequoia Investor Director, Nexus Investor Director, the WestBridge Investor Director and the Joint Investor Director are jointly referred to as “Investor Directors” and individually as an “Investor Director”.</p> <p data-bbox="511 1218 1310 1848">Each Large Investor shall be entitled to nominate its Director on the Board of the Company as long as its shareholding in the Company is equal to or higher than MEP. Notwithstanding the foregoing, Sequoia and/or its Affiliates shall be entitled to appoint the Sequoia Investor Director until December 5, 2021 (or such earlier date as agreed between WestBridge and Sequoia) or the SPA Second Closing Date, whichever is earlier, irrespective of Sequoia's shareholding in the Company. It is hereby clarified that with effect from December 6, 2021 (or such earlier date as agreed between WestBridge and Sequoia) or the SPA Second Closing Date, whichever is earlier, such right to appoint a Director shall be automatically assigned in favour of WestBridge, without any further action required on behalf of any party to SSSHA, other than for Sequoia to procure an immediate resignation of its nominee director. Except for the automatic assignment of such right to appoint a Director in favour of WestBridge as aforesaid, Sequoia’s right to appoint a Director shall not be assignable by Sequoia and/or its Affiliates in favour of any Person with or without transfer of Shares by Sequoia. It is further expressly clarified that irrespective of Sequoia’s right to nominate the Sequoia Investor Director until December 5, 2021 (or such earlier date as agreed between WestBridge and Sequoia) or the SPA Second Closing Date, whichever is earlier, Sequoia or the Sequoia Investor Director shall not be entitled to exercise any affirmative voting rights under Article 145 (Reserved Matters) of the Articles on and from the SPA First Tranche Closing Date.</p>

Title of Article	Article Number and contents
	<p>In case of Article 98(b)(v) mentioned above, all 3 (three) Large Investors shall jointly be entitled to nominate such Director, so long as each of them hold the MEP and if any Large Investor does not hold the MEP, then such Director shall be nominated jointly by such of the Large Investors who hold Shares equal to or more than the MEP provided that there are at least 2 (two) Large Investors who hold the MEP. In addition to the right to appoint a Director, WestBridge shall until such time, also be entitled to appoint an observer to attend all meetings of the Board and receive all notices and communication issued by the Board to the WestBridge Investor Director. It is clarified that such observer shall not have the right to participate or vote in any meetings.</p> <p>In case of any Transfer of Shares inter-se Large Investors, which Transfer includes an assignment of the right to nominate a Director, then such Large Investor shall be entitled to, on becoming a Majority Investor (whether becoming so prior to such Transfer or resultant from such Transfer or at any time subsequently) appoint a third nominee Director (i.e. in addition to an entitlement to appoint two nominee Directors as a result of such Transfer). The Company shall take all necessary actions in compliance with the NHB Directions in a timely manner, in relation to the appointment of a third nominee Director by a Majority Investor.</p> <p>The Promoter shall hold his position as Promoter Director on the Board of the Company or as member of any committee constituted by the Board of the Company only as long as his shareholding in the Company is equal to or higher than MEP and so long as he continues to be the CEO/MD of the Company in terms of the CEO/MD agreement as amended, modified or renewed from time to time.</p> <p>The Board may constitute such number of committees of the Board as it may think necessary and appropriate and nominate members on the committees and approve the necessary charter/ terms of reference for the committees provided however that each of such committee constituted by the Board must necessarily have each Investor Director and the Promoter Director unless otherwise approved by the Board. The deliberation of the committees shall be placed before the Board and shall be approved and noted by the Board. The Promoter shall be the Managing Director (“MD”)/ Chief Executive Officer (“CEO”) of the Company for the terms as specified under the CEO/MD agreement. If the CEO/MD agreement is terminated by the Board on account of any reason (including for 'Cause') as defined under the CEO/MD agreement or terminated by the Promoter, the Promoter shall, subject to Applicable Law, be entitled to such Remuneration from such date and for such tenure as stipulated under the CEO/MD agreement. The day-to-day management of the Company shall be taken care of by the Promoter who shall exercise such powers as may be delegated by the Board from time to time and required for the effective management of the Company, however such exercise of power and authority by the Promoter shall be subject to overall supervision and control of the Board. The management of the Company shall be subject to the supervision, direction and control of the Board.</p> <p>The right of nomination of the Investor Directors conferred on the Large Investors shall include the right, of the relevant Large Investor, at any time to respectively remove from office any Investor Director and from time to time to respectively determine the period for which such Investor Director shall hold office as a Director. If a Large Investor desires that its respective Investor Director should cease to be a Director, the Promoter shall exercise his voting rights in relation to the Equity Shares held by him in the Company in such manner so as to ensure such removal and the appointment of such other individual as an Director as may be nominated by the relevant Investor(s).</p>

Title of Article	Article Number and contents
	The Company shall appoint such number of women directors as may be required under the provisions of the Act and rules issued thereunder.
Disqualifications for a person to act as director	<p>A person shall not be eligible for appointment as a Director of the Company, if —</p> <ul style="list-style-type: none">) he is of unsound mind and stands so declared by a competent court;) he is an undischarged insolvent;) he has applied to be adjudicated as an insolvent and his application is pending;) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than 6 (six) months and a period of 5 (five) years has not elapsed from the date of expiry of the sentence. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of 7 (seven) years or more, he shall not be eligible to be appointed as a director in the Company;) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;) he has not paid any calls in respect of any Shares of the Company held by him, whether alone or jointly with others, and 6 (six) months have elapsed from the last day fixed for the payment of the call;) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding 5 (five) years; or) he has not complied with sub-section (3) of section 152 of the Act.) No person who is or has been a Director of the Company who— <ul style="list-style-type: none"> has not filed financial statements or annual returns for any continuous period of three financial years; or has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for 1 (one) year or more; shall be eligible to be re-appointed as a director of the Company or appointed in the Company for a period of five years from the date on which the said company fails to do so.
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Alternate Director	<p>The Board may appoint an alternate Director in accordance with the Act (“Alternate Director”) to act for a Director (the “Original Director”) during his/her absence. The Shareholder, which nominated such Original Director, shall have a right to nominate any other person to be the Alternate Director in place of the Original Director. The Shareholders shall ensure that the Board appoints only such persons to be Alternate Directors as are recommended by the Promoter or the Investors, which nominated such Original Director.</p> <p>Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are</p>

Title of Article	Article Number and contents
	ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.
Investors may fill in vacancies	The Large Investors shall each have a right to fill in any casual vacancy caused in the office of the Directors nominated by them, by reason of his/her resignation, death, removal or otherwise. All nominations made by the Large Investors or the Promoter, as the case may be, shall be in writing and shall take effect on its receipt at the registered office of the Company.
Additional Directors	Subject to Article98, the Directors shall have the power at any time and from time to time to appoint any other Person to be a Director as an addition to the Board (“ Additional Director ”) so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any Person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier and shall be eligible for election at such Meeting.
Qualification shares	A Director need not required to hold any qualification shares.
Directors’ sitting fees	Subject to the provisions of the act, sitting fees shall be payable to any of the Directors for attending meetings of the Board/Committee Meetings.
Extra remuneration to Directors for special work	Subject to the provisions of Section 197 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.
Traveling expenses incurred by Directors on Company’s business	The Company will reimburse the Investor Directors for all reasonable expenses incurred upto a maximum of INR 25,000 for each Investor Director for attending each Board and/ or committee meetings or any other activities (e.g., meetings, trade shows) in relation to the Business of the Company. Where board and committee meetings are held on the same day or during the same visit by the Investors to the place where such meetings are being held then the Investor Directors shall not be reimbursed separately for attending board and committee meetings. As and when permitted by the Act, the board and committee meetings shall be held with the help of video conference as far as possible.
Director may act notwithstanding vacancy	Subject to Article98, the continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
Disclosure to the Members of Directors’ interest in contract appointing Managers, Managing Director or Wholetime Director	When the Company:- enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Act shall be complied with.
General notice of disclosure of Director’s interest	Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of

Title of Article	Article Number and contents
	<p>individuals which shall include the shareholding, in such manner as may be prescribed.</p> <p>A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 (2) of the Act and the rules issued thereunder.</p> <p>Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—</p> <p>(i) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. (2%) shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or</p> <p>(ii) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:</p> <p>Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.</p>
<p>Directors and Managing Director may contract with Company</p>	<p>Subject to the provisions of the Act, the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Act and in this respect all the provisions of Section 189 of the Act shall be duly observed and complied with.</p>
<p>Vacation of office by Directors</p>	<p>The office of a director shall become vacant in case—</p> <p>he incurs any of the disqualifications specified in section 164 of the Act;</p> <p>he absents himself from all the meetings of the Board of Directors held during a period of 12 (twelve) months with or without seeking leave of absence of the Board;</p> <p>he acts in contravention of the provisions of section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;</p> <p>he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;</p> <p>he becomes disqualified by an order of a court or the Tribunal;</p> <p>he is convicted by a court of any offence, whether involving moral turpitude; or otherwise and sentenced in respect thereof to imprisonment for not less than 6 (six) months:</p> <p>Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;</p> <p>he is removed in pursuance of the provisions of this Act;</p>

Title of Article	Article Number and contents
	<p>he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.</p>
<p>Removal of Directors</p>	<p>The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles, by ordinary resolution remove any Director not being a Director appointed by the Tribunal under Section 242 of the Act before the expiry of his period of office.</p> <p>Special Notice as provided by these Articles shall be required of any resolution to remove a Director under the Article or to appoint some other Person in place of a Director so removed at the Meeting at which he is removed.</p> <p>On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company)</p> <p>and if a copy of the representations is not sent as aforesaid because they were received too late\ or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting:</p> <p>Provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other Person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-article are being abused to secure needless publicity for defamatory matter.</p> <p>A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under sub clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>If the vacancy is not filled under sub-article (e), it may be filled as a casual vacancy in accordance with the provisions of the Act, in so far as they are applicable of Article 101 , and all the provisions of that Article shall apply accordingly</p> <p>A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>Nothing contained in this Article shall be taken:-</p> <p>as depriving a Person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or</p>

Title of Article	Article Number and contents
	<p>as derogating from any power to remove a Director which may exist apart from this Article.</p> <p>The right of nomination of the Investor Directors conferred on the Investors shall include the right, of the relevant Investor, at any time to respectively remove from office any Investor Director and from time to time to respectively determine the period for which such Investor Director shall hold office as a Director. If an Investor desires that its respective Investor Director should cease to be a Director, the Promoter shall exercise his voting rights in relation to the Equity Shares held by him in the Company in such manner so as to ensure such removal and the appointment of such other individual as an Investor Director as may be nominated by the relevant Investor(s).</p>
Interested Directors not to participate in Board's proceedings	<p>Every director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—</p> <p>(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or</p> <p>(b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:</p> <p>Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.</p>
Director may be director of companies promoted by the Company	<p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company subject to Section 197 of the Act.</p>

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	<p>All non-executive Directors shall be liable to retire by rotation in accordance with the provisions of the Act and notwithstanding anything contained herein shall be re-appointed by the Investors or Promoter (as the case may be) whosoever may have appointed such Director unless a Director is proposed to be appointed/nominated by the Investors or the Promoter (as the case may be) in place of such retiring Director.</p>
Retirement of Directors	<p>Subject to the provisions of Articles 102 and 104, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.</p>
Retiring Directors	<p>Subject to the provisions of Section 152 of the Act and the provisions of these Articles, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Managing Director, subject to Article 126, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.</p>
Ascertainment of Directors retiring by rotation and filling of vacancies	<p>The Directors retiring by rotation under Article 117 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst</p>

Title of Article	Article Number and contents
Eligibility for re-election	<p>themselves be determined by the lot.</p> <p>Subject to Applicable Laws, a retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.</p>
Company to fill vacancies	<p>The continuing Directors may act notwithstanding any vacancy in their body but subject to the provisions of the Act and these Articles, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.</p> <p>Subject to Sections 152 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other Person thereto.</p>
Provision in default of appointment	<p>(a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <p>(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.</p> <p>(ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.</p> <p>(iii) he is not qualified or is disqualified for appointment</p> <p>(iv) a resolution, whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>(v) the provision of Section 162 of the Act is applicable to the case.</p>
Company may increase or reduce the number of Directors or remove any Director	<p>Subject to the provisions of these Articles and of Section 149 and 152 of the Act, the Company may by ordinary resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of Directors to be voted individually	<p>(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more Persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(c) For the purposes of this Article, a motion for approving a Person's appointment, or for nominating a Person for appointment, shall be treated as a motion for his appointment.</p>
Notice of candidature for office of Directors except in certain cases	<p>(1) No Person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given atleast 14 (fourteen) days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such Person to propose him as Director for that office as the case may be, along with a deposit of INR 1,00,000 Rupees One Lakh) or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or</p>

Title of Article	Article Number and contents
	<p>gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>(2) Every Person (other than Director retiring by rotation or otherwise or Person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(3) A Person other than:-</p> <p>(a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or</p> <p>(b) an Additional or Alternate Director or a Person filling a casual vacancy in the office of a Director under Section 149 of the Act, appointed as a Director re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within 30 (thirty) days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
<p>Disclosure by Directors of their holdings of their Shares and debentures of the Company</p>	<p>Every Director and every Person deemed to be Director of the Company by virtue of Section 184 of the Act shall give notice to the Company of such matters relating to his holding of shares and debentures of the Company, or its holding or its subsidiary or its associates, together with such particulars as may be prescribed under the Act. Any such notice shall be given in writing and if it is not given at a meeting of the Board the Person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>

MANAGING DIRECTOR

Title of Article	Article Number and contents
<p>Powers to appoint Managing Director</p>	<p>Subject to the provisions of Section 196 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole time Directors of the Company, for a fixed term not exceeding 5 (five) years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Act.</p> <p>Subject to the provisions of Sections 152 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.</p> <p>126A. The Promoter shall be Managing Director (“MD”)/ Chief Executive Officer (“CEO”) of the Company for the term as specified under the CEO/MD agreement. If the CEO/MD agreement is terminated by the Board on account of any reason (including for ‘Cause’) as defined under the CEO/MD agreement or terminated by the Promoter, the Promoter shall, subject to Applicable Law, be entitled to such Remuneration from such date and for such tenure as stipulated under the CEO/MD agreement. The day-to-day management of the Company shall be taken care of by the Promoter who shall exercise such powers as may be delegated by the Board from time to time and required for the effective management of the Company, however such exercise of power and authority by the Promoter shall be subject to overall supervision and control of the Board. The management of the Company shall be subject to the supervision, direction and control of the Board.</p>

Title of Article	Article Number and contents
Remuneration of Managing Director	Subject to the provisions of Section 197 and Schedule V of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
Special position of Managing Director	Subject to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
Powers of Managing Director	The Directors may from time to time entrust to and confer upon a Managing Director or Whole time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers, in accordance with the provisions of the relevant employment agreement, if any.
	Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the Persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.
	The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors, including all Investor Directors) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
	Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
Appointment and powers of Manager	Subject to Applicable Laws, the Board may, from time to time, appoint any Manager (under Section 2(53) of the Act) to manage the affairs of the Company, a company secretary or a chief financial officer at such remuneration and upon such conditions as it may think fit.. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	The Board shall hold regular meetings at the registered office of the Company or at such other place as is acceptable to the Board at least once every quarter. Subject to the provisions of the Act, a quorum for a meeting of the Board shall be 4 (four) Directors, comprising each of the Investor Directors and the Promoter Director, who shall be present at the beginning and throughout the Board meeting. It is

Title of Article	Article Number and contents
	<p>hereby clarified that each Large Investor may waive (in writing including by means of electronic mail) the requirement of the presence of its own nominee Director in the event that its own nominee Director is unable to be present at the Board meeting, and in such cases, the quorum requirement shall, subject to provisions of the Act, not apply in respect of such waived attendance. The chairman of the Board will be agreed upon by all Investors and Company and shall not have a casting vote. The chairman shall be appointed for a term of 1 (one) year. All non-executive Directors shall be liable to retire by rotation in accordance with the provisions of the Act and shall be re-appointed by the Large Investors or the Promoter (as the case may be) whosoever may have appointed such Director unless a Director is proposed to be appointed/ nominated by the Large Investors or the Promoter (as the case may be) in place of such retiring Director.</p> <p>The Investors and the Company shall ensure that no meeting of the Board is held unless at least 7 (seven) Business Days prior written notice, or a shorter written notice in compliance with the Act if all the Directors accord their consent thereto, and a quorum is present. However, in case of a regular quarterly meeting of the Board, the schedule for the meeting must be sent to the Large Investors at least 7 (seven) days prior to the date of such quarterly meeting.</p> <p>Each Director shall be entitled to one vote at any meeting of the Board.</p>
Quorum	<p>Subject to the provisions of the Act, a quorum for a meeting of the Board shall be 4 Directors, comprising each of the Investor Directors and the Promoter Director, who shall be present at the beginning and throughout the Board meeting. It is hereby clarified that each Large Investor may waive (in writing including by means of electronic mail) the requirement of the presence of its own nominee Director in the event that its own nominee Director is unable to be present at the Board meeting, and in such cases, the quorum requirement shall, subject to provisions of the Act, not apply in respect of such waived attendance.</p>
Procedure when Meeting adjourned for want of quorum	<p>If adequate quorum is not achieved at such Board meeting, the meeting shall be adjourned to the same day in the following week at the same place and same time as the original meeting. If adequate quorum is not achieved at the adjourned Board meeting, then, notwithstanding anything contained herein but subject to the provisions of the Act, the Directors then present shall constitute the quorum for the adjourned Board meeting; provided however that in respect of actions requiring consent under Article 145 (Reserved Matters), requisite consent as contemplated thereunder and accordingly, the decision making process under Article 144 shall be complied with.</p>
Chairman of Meeting	<p>The chairman of the Board will be agreed upon by all Investors and the Promoters and the chairman shall not have a casting vote. The chairman shall be appointed for a term of 1 (one) year. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p>
Question at Board meeting how decided	<p>Subject to Article 145 (Reserved Matters), questions arising at any meeting of the Board shall be decided by a majority of votes. Each Director shall be entitled to one vote at any meetings of the Board.</p>
Powers of Board meeting	<p>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
Directors may appoint Committee	<p>Subject to Applicable Laws, the Board may constitute such number of committees of the Board as it may think necessary and appropriate and nominate members on the committee and approve the necessary charter/ terms of reference for the committees provided however that each of such committee constituted by the Board must necessarily have each Investor Director and the Promoter Director.</p>

Title of Article	Article Number and contents
	<p>The deliberation of the committees shall be placed before the Board and shall be approved and noted by the Board.</p> <p>The requirement for quorum and all other provisions pertaining to the affairs of the Board as provided under these Articles shall be applicable to the committees of the Board unless otherwise approved by the Board.</p>
Meeting of the Committee how to be governed	<p>The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be the same as that for Board meetings prescribed in Article 135.</p>
Circular resolution	<p>A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 140 shall subject to the provisions of sub-article (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>No resolution shall be deemed to have been duly passed by the Board in its meeting or by circulation, unless the meeting of the Board is properly convened or the circular resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors (including Alternate Directors, if any), and has been approved in writing by a majority of the Directors present in the meeting or by such of them as are entitled to vote on the resolution in accordance with the SSSHA and Applicable Law.</p>
Acts of Board or Committee valid notwithstanding defect in appointment	<p>All acts done by any meeting of the Board or by a Committee of the Board or by any Person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any Person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such Person had been duly appointed and was qualified to be a Director; provided nothing in the Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p>
Decisions of the Board	<p>Decisions on all matters other than the matters specified in Article 145 (Reserved Matters), shall be taken by a simple majority of the Directors present and voting at such Board meeting, unless otherwise provided by Applicable Law. Decisions in relation to the matters specified in Article 145 (Reserved Matters) shall require the approval of a majority of the Board of the Directors present and voting at such Board meeting and the Investor Majority Consent and the affirmative vote of the Promoter (if so required under Article 145). However, the Promoter's consent shall not be required for the rights of the Investors under Articles 13, 34, 34A, 34C, 34D, 34E, 34EA, 34EB, 34F, 145A, 197 and 198.</p>
Reserved Matters	<p>Reserved Matters</p> <p>Notwithstanding anything to the contrary contained in these Articles, decisions and resolutions in relation to the Company as listed below shall not be taken or passed by the Board (including any committee thereof) or at Shareholders' meetings, or otherwise, without the Investor Majority Consent and the affirmative consent of the Promoter (other than any matters for which the Promoter's consent is not required, as specified in this Article 145). It is hereby clarified that a Large Investor / such Large Investor's nominee Director shall not have an affirmative voting right under this Clause if the respective shareholding of the Large Investor falls below MEP. It is further clarified that the Promoter shall not have an affirmative voting right under this Clause if: (i) shareholding of the Promoter falls below MEP; or (ii) if the Promoter is no longer the MD/CEO of the Company:</p> <p>mergers and acquisitions, restructurings, arrangements, change of voting control, amalgamations, consolidations and divestments, of the Company;</p>

Title of Article	Article Number and contents
	<p>any amendment of the Articles or Memorandum and/ or other organization documents of the Company or any of its subsidiaries;</p> <p>increase in the number of Shares which may be issued under the ESOP Pool, allocation of Equity Shares forming part of the ESOP Pool, adoption, creation of any other stock option plan, stock appreciation rights plan, other management and/ or employee incentive plans; and their allocations, other than as contemplated in terms of these Articles;</p> <p>approval of, or amendment to the annual budget and/or the Business Plan;</p> <p>the sale of all or substantially all of the Company's assets, spin-offs or closure of an existing Business or commencement of any business beyond the purview of the Business Plan of the Company, except securitization and sale of loan portfolio as part of normal business operations;</p> <p>any decision with regard to the listing of the Company's Shares, including determining the pricing, and place/ stock exchange of an IPO;</p> <p>acquisition by the Company or any subsidiary of other businesses by way of Share sale, Business transfer, slump sale, asset sale or any other mode of acquiring a business, creation of joint ventures/ partnerships, creation of holding company above the Company or creation of a subsidiary;</p> <p>voluntary commencement of winding-up proceeding for insolvency or bankruptcy of the Company or general assessment for the benefit of their creditors or any consent to the entry of a decree or order or relief from creditors under Applicable Law, or any admission by the Company of (a) its inability to pay its debts, or (b) any other action constituting a cause for the involuntary declaration of insolvency or bankruptcy;</p> <p>changing the authorized number of Directors of the Board, the manner of appointment of Directors, appointment of any Directors in excess of 7 (seven) Directors, or appointment/ removal of Promoter Director, including appointment/ reappointment of Promoter Director on retirement or otherwise;</p> <p>any strategic/ financial or other alliance with a third party which results in investments by the Company (other than short term investments in bank deposits/ mutual funds to park short term surplus funds), of more than INR 5,000,000 (Rupees Five Million) and which is not contemplated under the Business Plan or offer certain exclusive rights to such third party;</p> <p>any appointment, removal, dismissal and change in the compensation terms of the Company's executive Directors, Independent Directors, Promoter Director or nominees of Promoter Director, including the chief executive officer (by whatever name called);</p> <p>increase, decrease, redemption, conversion, buy back or other alterations or modifications to the Capital structure including authorised Share Capital, or creation or issue of any new Shares or other securities (including Equity Shares, preference shares, non-voting shares, options or warrants and such other instruments), Share-splits, issuance of bonus Shares, restructuring and reduction of Capital and terms thereof by the Company, except re-purchases as envisaged under the ESOP Scheme or any other employees stock option plan approved by the Investors upon termination of the employment. It is hereby clarified that the Investor Majority Consent shall be obtained for undertaking any rights issue including the terms of such rights issue;</p> <p style="padding-left: 40px;">(m) entering into any Related Party transactions;</p> <p>change in the name of the Company, or its trading style, or any transfer of brand names, service marks and trademarks or any other intellectual property used by the Company, unless such transfer is between the Company and its Subsidiary, and except where such transfer is necessitated in terms of a contract with a customer;</p> <p>alteration or changes to the rights, preferences or privileges of any Shares of the Company;</p> <p>appointment or removal of an Independent Director in accordance with the provisions of these Articles;</p> <p>commencement of any new line of business apart from the Business;</p> <p>approval of any exit as envisaged under Article 34F (other than for the sale by each Investor of its own shareholding);</p>

Title of Article	Article Number and contents
	<p>capital expenditure or acquisitions of capital assets unless already approved by the Investors in the annual budget in excess of INR 10,000,000 (Rupees Ten Million), on a cumulative basis, in any financial year;</p> <p>acquire or sell share, securities, debentures and bonds in or of any other company;</p> <p>allocation of Equity Shares forming part of the ESOP Pool or in pursuance of any other employees stock option as approved by the Board from time to time, other than as contemplated in terms of these Articles;</p> <p>appointment or any change of the internal/ external auditors of the Company;</p> <p>declaring or paying dividends or distribution of profits on any Shares of the Company, or commissions to the Directors;</p> <p>any appointment, engagement or increase in compensation of any employee, including the Promoter, above INR 5,000,000 (Rupees Five Million) per annum;</p> <p>authorizing any indebtedness or creation of any lien or charges on the assets of the Company in connection therewith in excess of the approved annual Business Plan of the Company, provided that creation of such lien or charges in connection with any indebtedness already approved by the Investor Majority Consent shall not constitute a separate Reserved Matter;</p> <p>any material change in the accounting policies of the Company which includes any change (material or otherwise) relating to revenue recognition, depreciation policy and provisioning norms;</p> <p>each of the above with respect to each subsidiary of the Company.</p> <p>Notwithstanding anything contained in this Article 145, the Promoter or Promoter Director (as the case may be) shall not have a veto or affirmative voting right in relation to the rights of the Investors under Articles 13, 34, 34A, 34C, 34D, 34E, 34EA, 34EB, 34F, 145A, 197 and 198..</p>
Exercise Of Investor Rights	All rights available to an Investor under these Articles, including the right to issue notices, receive information, granting permissions, etc. may be exercised by each Investor by any authorised signatory/representative of the Investor.

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p>(1)The management of the Company shall be subject to the supervision, direction and control of the Board. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting:-</p> <p>(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p>

Title of Article	Article Number and contents
	<p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>Provided that in respect of the matter referred to in Article 146(d) and Article 146 (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount up to which moneys may be borrowed by the Board under Article 146 (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under Article 146(e)</p> <p>Provided further that the expression "temporary loans" in Article 146 (d) above means loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a Capital nature.</p> <p>(2) All cheques, promissory notes, drafts, hundis, bill of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case maybe, by such Person and in such manner as the Board shall from time to time by resolution determine.</p>

MINUTES

Title of Article	Article Number and contents
<p>Minutes to be made</p>	<p>(1) The company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in such manner as may be prescribed and kept within 30 (thirty) days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered in accordance with Section 118 of the Act.</p> <p>(2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(3) All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(4) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain—</p> <p>(a) the names of the directors present at the meeting;</p> <p>(b) All order made by the Board;</p> <p>(c) All resolutions and proceedings of meetings of the Board of Directors and Committees thereof;</p> <p>(d) In the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.</p>

Title of Article	Article Number and contents
	<p>(5) There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting,—</p> <p>(a) is or could reasonably be regarded as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the company.</p>
<p>Minutes to be evidence of the proceeds</p> <p>Books of minutes of General Meeting to be kept</p>	<p>(a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Act shall be evidence of the proceedings recorded therein.</p> <p>(b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.</p>
<p>Presumptions</p>	<p>Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.</p>

FCPA, PCA AND PFIC

Title of Article	Article Number and contents
<p>FCPA and PCA</p>	<p>The Company represents that it shall not and shall not authorize any of its Subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any third party, including any Non-U.S. Official (as defined in the Foreign Corrupt Practices Act, 1977 (“FCPA”)), in each case, in violation of the FCPA, the U.K. Bribery Act, 2010 (“UKBA”), the Prevention of Corruption Act, 1988 (“PCA”) or any other applicable anti-bribery or anti-corruption law. The Company further covenants, undertakes and represents that it shall and shall cause each of its Subsidiaries and Affiliates to cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, UKBA, the PCA or any other applicable anti-bribery or anti-corruption law.</p> <p>The Company shall, on an annual basis, provide a written response to the FCPA compliance questionnaire issued by any Investor to the Company in the format prescribed in Schedule 9 of the SSSHA so long as (i) such Investor has nominated an Investor Director who continues to hold the position of a Director, or (ii) such Investor holds more than 50% (fifty percent) of the Equity Shares of the Company.</p>
<p>PFIC Covenants</p>	<p>(1). The Company and the Promoter shall, at the request of an Investor, provide such Investor with all information and cooperation necessary for the making and maintenance of an election to treat the Company and each of its Affiliates as a “Qualified Electing Fund” under Section 1295 of the U.S. Internal Revenue Code of 1986, as amended.</p> <p>(2).The Company acknowledges that certain investors may be, or may be comprised of investors that are, U.S. persons and that the U.S. income tax consequences to</p>

Title of Article	Article Number and contents
	<p>those persons of the investment in the Company will be significantly affected by whether the Company and/or any of the entities in which it owns an equity interest at any time is (i) a “passive foreign investment company” (within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended) (a “PFIC”) or (ii) classified as a partnership or a branch for U.S. federal income tax purposes.</p> <p>The Company shall determine annually, with respect to its taxable year (i) whether the Company and each of the entities in which the Company owns or proposes to acquire an equity interest (directly or indirectly) is or may become a PFIC (including whether any exception to PFIC status may apply) or is or may be classified as a partnership or branch for U.S. federal income tax purposes, and (ii) to provide such information as any direct or indirect shareholder may request to permit such direct or indirect shareholder to elect to treat the Company and/or any such entity as a “qualified electing fund” (within the meaning of Section 1295 of the U.S. Internal Revenue Code of 1986, as amended) for U.S. federal income tax purposes. The Company shall also obtain and provide reasonably promptly upon request any and all other information deemed necessary by the direct or indirect shareholder to comply with the provisions of this Article, including English translations of any information.</p>

THE SECRETARY

Title of Article	Article Number and contents
Secretary	<p>The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some Person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Act and the rules issued thereunder.</p> <p>The main functions of the Secretary shall be the responsibility for maintaining records and Registers required to be kept under the Act and these Articles, making the necessary returns to the Registrar of Companies under the Act and these Articles and for getting the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of the Company is normally supposed to carry out, such as giving the necessary notices to the Members, preparing the agenda of meetings, issuing notices to Directors, preparing minutes of meeting of Members and of Directors and of any committee of Directors and maintaining minute books and other statutory documents, and he shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him to do so.</p>
The Seal, its custody and use	<p>Seal</p> <p>(a) The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.</p> <p>(b) Common Seal for use outside India</p> <p>The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it.</p> <p>(c) Safe Custody of Seal</p>

Title of Article	Article Number and contents
	<p>The Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a committee of Directors previously given.</p> <p>(d) Affixing of Seal on deeds and instruments'</p> <p>On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other Person or Persons Authorized in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed.</p> <p>(e) Affixing of Seal on Share Certificates</p> <p>Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such Persons as are Authorized from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being.</p> <p>(f) Removal of Common Seal outside the office premises</p> <p>The Board may authorize any Person or Persons to carry the Common Seal to any place outside the Registered Office inside or outside for affixture and for return to safe custody to the Registered Office.</p>

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	<p>(a) Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares. It is clarified that, notwithstanding any accumulation or accrual, dividends will only be due upon the Shares of the Company (including the compulsorily convertible preference shares) in years that the Company has earned profits, if the Board declares dividend in that year.</p> <p>(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.</p>
The Company at General Meeting may declare dividend	<p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.</p>
Dividends out of profits only	<p>No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 123 of the Act.</p> <p>Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf under the Act.</p> <p>Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.</p>

Title of Article	Article Number and contents
Interim dividend	Subject to the provisions of Section 123 of the Act, the Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any Person is, under the Transmission Article, entitled to become a Member or which any Person under that Article is entitled to transfer until such Person shall become a Member or shall duly transfer the same.
Capital paid-up in advance as interest not to earn dividend	Where the Capital is paid in advance of the calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other Person or Persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	Any one of several Persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	The dividend, interest or other monies payable in cash may be paid by cheque or warrant sent through post directly to registered address of the Shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the register of Members or to such person and to such address as the Shareholder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or Person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner provided in the Act and the rules issued thereunder.
Reserves	The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by Law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or

Title of Article	Article Number and contents
	<p>(b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or</p> <p>(c) where there is dispute regarding the right to receive the dividend; or</p> <p>(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or</p> <p>(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.</p>
Unclaimed dividend	No unclaimed dividend shall be forfeited by the Board and the Directors shall comply with the provisions of the Act and the Rules thereunder as regards unclaimed dividends.
Set-off of calls against dividends	Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
Dividends in cash	No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
Capitalization	<p>Subject to the provisions of these Articles,</p> <p>The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>that is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>that such sum be accordingly set free for distribution in the manner specified in Article 171(2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Article 171(3) either in or towards;</p> <p>paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>partly in the way specified in sub-article (a) and partly in that specified in sub-article (b).</p> <p>A share premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the manner prescribed in Section 52(2) of the Act.</p>
Board to give effect	The Board shall give effect to the resolution passed by the Company in pursuance of above Article.
Fractional certificates	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the</p>

Title of Article	Article Number and contents
	<p>case of Shares becoming distributable in fractions, also to authorize any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

ACCOUNTS

Title of Article	Article Number and Contents
<p>Information Rights</p>	<p>173A. The Company shall deliver to the Investors:</p> <ul style="list-style-type: none">) one set of audited annual financial statements within 90 (ninety) Business Days from the end of each financial year prepared in accordance with Indian GAAP; un-audited quarterly financial statements within 30 (thirty) Business Days from the end of relevant quarter, prepared in accordance with Indian GAAP;) quarterly MIS (Management Information Systems) reports to the Investors 30 (thirty) days from the end of relevant quarter; monthly financial statements compared against the Business plan;) annual Business plan (including quarterly budget containing an income statement, a statement of cash flow, a balance sheet and break down of working capital) and head count, within 30 (thirty) Business Days of the end of each financial year for the following financial Year; information regarding appointment or resignation of any member of the senior management (i.e. reporting to the MD/CEO and any of their management team member agreed on a case by case basis) 14 (fourteen) Business Days prior to the date of the appointment and upon in the event of resignation, on the date of receipt of resignation; copy of the Company’s annual operating plan at least 30 (thirty) days prior to the beginning of each fiscal year. <p>The Investors and their duly authorized officers, employees, accountants and attorneys shall have the right, at any time, and from time to time during normal business hours and upon prior written notice to the Company, to inspect and take copies of the books, records and other documents of the Company and to consult with the officers, employees, accountants and attorneys of the Company for the purpose of affording each Investor full opportunity to make such investigation as they shall desire and at the cost of the Company. The Investors shall have the right to conduct an audit of the Business to review financial and operational processes being followed by the Company and to make recommendations in that behalf. The Company shall take all steps to ensure that such recommendations are duly implemented in a timely manner, subject to the approval of such recommendations by the Board.</p>

	<p>Notwithstanding anything contained herein, it is hereby clarified that the information rights contemplated under this Clause, shall be enjoyed by each Investor so long as it is a Shareholder in the Company.</p>
Books to be kept	<p>) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:</p> <p>the assets, liabilities, financial position and state of affairs, including without limitation (A) all related party dues; and (B) the loan portfolio outstanding of the Company, as at the Accounts Date; and</p> <p>the income, expenses and results of its operations, profits and losses, including without limitation (A) salary paid to the key management employees; (B) the costs for all employees employed on a payroll, casual or contractual basis; and (C) all vendor payables, for the year ended on the Accounts Date, of the Company;</p> <p>all sums of money received and expended by the Company and matters in relation to which the receipts and expenditure take place; and</p> <p>all sales and purchases of goods and services by the company</p> <p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of Article 174(1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-article (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.</p> <p>The books of accounts of the Company together with the vouchers relevant to any entry in such books of account shall be kept in good order for a period of not less than eight financial year.</p> <p>All the aforesaid books shall give a true and fair picture of the financial position of the Company.</p>
Inspection by Members	<p>No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or as specifically set out herein or as authorised by the Board.</p>
Statements of accounts to be furnished to General Meeting	<p>The Board of Directors shall from time to time in accordance with Sections 129, 133 and 134 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial Year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136	<p>(1) The Company shall comply with the requirements of Section 136 of the Act.</p> <p>(2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the registered Office of the Company during working hours for a period of 21 (twenty-one) days before the Annual General Meeting.</p> <p>A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>

Accounts to be audited	Once at least in every Year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
Appointment of Auditors	<p>(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the Act and the rules issued thereunder.</p> <p>(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within 7 (seven) days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.</p> <p>(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (i) he is not qualified for re-appointment; (ii) he has given to the Company notice in writing of his unwillingness to be re-appointed; (iii) a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or where notice has been given of an intended resolution to appoint some Person or Persons in the place of retiring Auditor, and (iv) by reason of the death, incapacity or disqualification of that Person or of all those Persons as the case may be, the resolution cannot be proceeded with.</p> <p>(4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a Person to fill the vacancy.</p> <p>(5) The Company shall within 7 (seven) days of the Central Government's power under Article 179 (4) becoming exercisable give notice of that fact to that Government.</p> <p>(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>(7) A Person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that Person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 140 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 140 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-article shall also apply to a resolution that retiring Auditor shall not be re-appointed.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
To whom documents must be served or given	Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every Person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 67, a statement of material facts referred to in

Title of Article	Article Number and Contents
	Article 67 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.
Members bound by documents or notices served on or given to previous holders	Every Person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the register of Members shall have been duly served on or given to the Person from whom he derived, his title to such Share.
Service of documents on the Company	A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
Authentication of documents and proceedings	Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.
Other Notices	<p>Any other notice provided for in these Articles shall be in writing and shall be first transmitted by facsimile or email transmission, and, if required, then confirmed by postage, prepaid registered post with acknowledgement due or by internationally recognized courier service, in the manner, as elected by the Person giving such notice and intimated to the Company in writing (including by way of provisions in agreements that such Person may have signed with the Company).</p> <p>All notices shall be deemed to have been validly given on (a) the Business day immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission, (b) the same Business Day if sent by email, (c) the Business Day of receipt, if sent by courier, or (d) the expiry of 7 (seven) Business Days after posting, if sent by registered post.</p> <p>Any Person may, from time to time, change its address or representative for receipt of notices by giving to the Company not less than 10 (ten) days' prior written notice thereof. Upon receipt of such notice, the Company shall immediately notify all Shareholders of such change.</p>

REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <p>Register of investments made by the Company but not held in its own name, as required by Section 187 of the Act</p> <p>Register of mortgages and charges as required by Section 85 of the Act and copies of instruments creating any charge requiring registration.</p> <p>Register and index of Members and debenture holders as required by Section 88 of the Act.</p> <p>Foreign register, if so thought fit.</p> <p>Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.</p> <p>Register of Directors, key managerial personnel and Secretaries etc. and their shareholding as required by Section 170 of the Act.</p> <p>Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group.</p> <p>Copies of annual returns prepared under Section 92 of the Act.</p> <p>Register of loans, guarantees, or securities given to the other companies under the same management.</p>
Inspection of Registers	The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment

	of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the Persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.
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WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	Subject to the provisions of these Articles and Applicable Law, if the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the Paid up Capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the Capital Paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the Capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
Distribution in specie or kind	Subject to the provisions of the Applicable Law, if the Company shall be wound up, whether voluntarily or otherwise, the liquidator may divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
Right of shareholders in case of sale	Deleted
Directors and others right to indemnity	Subject to the provisions of these Articles and the Applicable Law (together with the rules issues thereunder), every Director of officer, or servant of the Company or any Person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such Person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application as per provisions on the Act.in which relief is granted to him by the Court.
Director, officer not responsible for acts of others	Subject to Applicable Law, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any Person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other Person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the Person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	No Member or other Person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

LIABILITY OF THE INVESTOR DIRECTORS

Title of Article	Article Number and Contents
Identification [Cause 14 of SSSHA]	<p>Subject to Applicable Law, the Investor Directors shall not be liable for any default or failure of the Company in complying with the provisions of any Applicable Law, including but not limited to defaults under the Act, taxation and labour laws of India, since they are not responsible for the day to day management or affairs of the Company.</p> <p>The Investor Directors shall not be identified as 'officers in default' of the Company, or occupiers of any premises used by the Company or employers under Applicable Laws. Further, the Promoter and the Company undertake to ensure that the other Directors or suitable persons are nominated as compliance officers, occupiers and/or employers, as the case may be, in order to ensure that, to the maximum extent permitted by Applicable Law, the Investor Directors do not incur any liability.</p>
Professional Indemnity	The Company shall obtain and maintain, at its own cost, a director's liability insurance / professional indemnity insurance for the Investor Directors.

DISPUTE RESOLUTION

Title of Article	Article Number and Contents
Dispute Resolution	<p>If any dispute arises between the the Company and its Shareholders hereto during the subsistence of these Articles or thereafter, in connection with or arising out of the validity, interpretation, implementation or alleged breach of any provision of these Articles or regarding a question, including the question as to whether the termination of these Articles by one Shareholder hereto has been legitimate, the disputing parties hereto shall endeavour to settle such dispute amicably. The attempt to bring about an amicable settlement is considered to have failed as soon as one of the disputing parties hereto, after reasonable attempts, which attempt shall continue for not less than 15(fifteen) days, gives 15(fifteen) days' notice thereof to the other party in writing.</p> <p>In case of such failure, the dispute shall be referred to arbitration to be governed by the (Indian) Arbitration and Conciliation Act, 1996.</p>

	<p>In the event the dispute is between any 2 (two) parties, each party to the dispute will appoint one arbitrator each and the two arbitrators so appointed shall appoint the third arbitrator who shall be the presiding arbitrator in the proceedings.</p> <p>However, in the event there are more than 2 (two) party amongst whom the dispute has arisen, the claimant parties shall appoint 1 (one) arbitrator and the respondent parties shall appoint 1 (one) arbitrator, and the 2 (two) arbitrators so appointed shall appoint a third arbitrator who shall be the presiding arbitrator in the proceedings.</p> <p>The place of the arbitration shall be Gurgaon.</p> <p>The arbitration proceedings shall be conducted in the English language.</p> <p>The arbitrator's award shall be substantiated in writing. The arbitration panel shall also decide on the costs of the arbitration proceedings.</p> <p>The Company shall bear all reasonable costs and expenses towards attorneys' fees, court fees and expenses in case of a dispute or arbitration regarding termination of the employment/ engagement of the Promoter with the Company for 'cause', or regarding a Promoter Event of Default till such time that the arbitration panel has not given any award against the Promoter or court of competent jurisdiction has not passed any order against the Promoter.</p> <p>The award shall be binding on the parties subject to Applicable Laws and the award shall be enforceable in any competent court of law.</p> <p>These Articles shall be governed by and construed in accordance with the laws of India and subject to the provisions of arbitration as set out above, the courts at Gurgaon will have exclusive jurisdiction.</p>
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CONSEQUENCES OF CERTAIN EVENTS OF DEFAULT

Title of Article	Article Number and Contents
Consequence of Promoter Event of Default	<p>Without prejudice to any other right available to the Large Investors in law or under equity and specifically any rights available to the Large Investors under Clause 8 of the SSSHA, it is agreed that in the event of occurrence of a Promoter Event of Default by the Promoter, all rights of the Promoter under these Articles shall cease to apply to the Promoter if any 2 (two) Large Investors give a notice to this effect to such Promoter. It is clarified that in order to establish occurrence of a Promoter Event of Default, at least 2 (two) Directors or all the Directors other than Promoter Director (whichever number is lower), shall agree that there is prima facie evidence against the Promoter after the investigation under Clause 8.2 of SSSHA.</p>
Drag Right	<p>Subject to Articles 34C and 34D, (i) in the circumstances specified in Article 34F(5); and/or (ii) upon the occurrence of a Promoter Event of Default, any 2 (two) Large Investors (if there are at least 3 (three) Large Investors at such point in time) or any 1 (one) Large Investor (if there are only 2 (two) Large Investors at such point in time) (the "Dragging Investor(s)") shall, subject to each such Dragging Investor holding the MEP, have a right but not an obligation to immediately, at their sole discretion, sell any or all the Shares held by the Dragging Investor(s) ("Drag Sale") to any Person notwithstanding the restrictions contained in these Articles and/or for the purposes of such Transfer require, by written notice to the Promoter, SM, the other Large Investor who has not exercised the Drag Along (the "Non-Dragging Investor"), and any other Shareholder, that the Promoter and Affiliates of the Promoter, SM, the Non-Dragging Investor and any other Shareholder sell such number of their respective Shares as may be specified by the Dragging Investor(s) to such Person as part of the Drag Sale ("Drag Right") on the same terms and conditions (including the price and form of consideration) at which the Dragging Investor(s) shall sell their Shares to such Person.</p> <p>The Dragging Investors shall give notice to the Non-Dragging Investor (provided that the Non-Dragging Investor holds the MEP) to enable all the Investors to jointly exercise the Drag Right. In the event the Non-Dragging Investor(s) chooses not to exercise such right or does not respond to the notice within 30 (thirty) days of receipt of a notice from the Dragging Investors, the Dragging Investors shall be entitled to exercise the Drag Right without the Non-Dragging Investor and drag along such Non-Dragging Investor in accordance with this Article 198. If the Non-</p>

	<p>Dragging Investor chooses to participate in the Drag Along together with the Dragging Investor(s) then it shall be considered to be a Dragging Investor for the purposes of this Article 198.</p> <p>In case of a sale of Shares under this Article, the Promoter, SM, the Non-Dragging Investor (if any), any other Shareholder and the Company shall support the sale by providing appropriate representations and warranties and corresponding indemnities to the acquirer(s) of the said Shares, provided that such representations and warranties and corresponding indemnities are not more favourable to the acquirer(s) than those provided under these Articles and SSSHA.</p> <p>Further, the Promoter and acquirer shall mutually agree on terms for their continuing engagement, failing which the Promoter shall agree to serve the Company on then prevailing terms as applicable for a period of 12 months post closing of Drag Sale, unless extended by the Promoter and acquirer by mutual agreement.</p> <p>All costs incurred under this Article 198, shall be borne by the Company.</p> <p>No restriction contained in Article 34.2.2 shall apply to a Drag Sale.</p> <p>Notwithstanding anything to the contrary, it is agreed that the Dragging Investors(s) shall not in any event be entitled to invoke the Drag Right against a Majority Investor.</p>
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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 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurugram - 122 002, Haryana, India between 10 am to 5 pm on any Working Day from the date of the filing of this Draft Prospectus with Stock Exchange.

MATERIAL CONTRACTS

1. Issue Agreement dated December 23, 2021 between our Company and the Lead Manager.
2. Registrar Agreement dated [●] between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated December 20, 2021 between our Company and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Public Issue Account and the Sponsor Bank Agreement dated [●], executed among our Company, the Lead Manager, the Public Issue Account Bank, Sponsor Bank and the Registrar to the Issue.
6. Lead Broker Agreement dated [●] among our Company, the Lead Manager and the Lead Broker.
7. Tripartite Agreement dated June 22, 2021 between our Company, the Registrar to the Issue and CDSL.
8. Tripartite Agreement dated March 17, 2010 between our Company, the Registrar to the Issue and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Original Certificate of Incorporation dated October 26, 1998 and Certificate of Commencement of Business dated November 18, 1998, issued by the Registrar of Companies, Madhya Pradesh.
3. Revised Certificate of Incorporation dated July 08, 2010 on change of name from “Satyaprakash Housing Finance India Limited” to “India Shelter Finance Corporation Limited”.
4. The Certificate of Registration No. 09.0087.10 dated September 14, 2021 issued by National Housing Bank under Section 29A of the National Housing Bank Act, 1987.
5. Copy of Shareholders Resolution passed at the Extra-Ordinary General Meeting held on July 26, 2021 approving the overall borrowing limits of the Board of Directors of our Company.
6. Copy of the Resolution passed by the Board of Directors of the Company at the meeting held on November 22, 2021.
7. Copy of the resolution passed by the Asset Liability Management Committee at its meeting held on December 23, 2021 approving the Issue and the Draft Prospectus.
8. Copy of the resolution passed by the Asset Liability Management Committee at its meeting held on [●] approving the Prospectus.
9. ICRA Letter no. ICRA/India Shelter Finance Corporation Limited/02112021/2 dated November 02, 2021, for assigning the credit rating for issue of proposed NCDs.
10. ICRA Letter no. ICRA/India Shelter Finance Corporation Limited/15122021/1 dated December 15, 2021 for revalidating the credit rating for issue of proposed NCDs.

11. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Manager, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to our Company, Registrar to the Issue and the Debenture Trustee for the NCDs, Public Issue Account Bank, Refund Bank and Sponsor Bank and the Lead Brokers to include their names in this Draft Prospectus, in their respective capacities.
12. The consent of the Statutory Auditors, namely M/s. T R Chadha & Co, LLP, Chartered Accountants dated November 30, 2021, for inclusion of their names as the Statutory Auditors and experts in respect of the Reformatted Financial Statements dated December 23, 2021, included in this Draft Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Prospectus.
13. The Statement of Tax Benefits issued by MRKS and Associates, Chartered Accountants dated December 23, 2021.
14. Annual Reports of our Company for the last three financial years ended March 31, 2021, 2020 and 2019.
15. Reformatted Financial Statements of our Company for the year ending March 31, 2021, 2020 and 2019
16. The limited review report dated November 02, 2021 in relation to the period ended September 30, 2021 on the Unaudited Financial Results of our Company.
17. In-principle listing approval from BSE by its letter no. [●] dated [●].
18. Due Diligence Certificate dated December 23, 2021 from Debenture Trustee to the Issue.
19. Due Diligence Certificate dated [●] filed by the Lead Manager with SEBI.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the applicants, subject to compliance of the provisions contained in the provisions of the Companies Act, 2013 and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue, including under the Companies Act, 2013 (to the extent in force), and the rules made thereunder, Companies Act, 1956 (to the extent not repealed) and the rule made thereunder, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities Contracts (Regulation) Act, 1956 and the rules and regulations made thereunder, the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, each, as amended, and rules/ regulations/guidelines/ circulars issued by the Government of India, the Securities and Exchange Board of India and other competent authorities in this respect, from time to time, have been duly complied with and that no statement made in the Draft Prospectus contravenes any such requirements.

We further certify that the Draft Prospectus does not omit disclosure of any material information that may make the statements made herein, in the light of the circumstances in which they were made, misleading and that all statements in the Draft Prospectus are true and correct in all material respects.

We further certify that:

- (a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- (b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government;
- (c) the monies received under the Issue shall be used only for the purposes and objects indicated in the Draft Prospectus;
- (d) all disclosures and statements in the Draft Prospectus and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Draft Prospectus has been suppressed or concealed and is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association

Signed by the Board of Directors of the Company

Anil Mehta
Non-Executive Director & Chairman
DIN: 02132315

Rupinder Singh
Managing Director & Chief Executive Officer
DIN: 09153382

Sumir Chadha
Nominee Director
DIN: 00040789

Shailesh Jayantilal Mehta
Nominee Director
DIN: 01633893

Anup Kumar Gupta
Nominee Director
DIN: 02284944

Sudhin Bhagwandas Choksey
Nominee Director
DIN: 00036085

Rachna Dikshit
Independent Director
DIN: 08759332

Date: December 23, 2021
Place: Gurugram

ANNEXURE I - DAY COUNT CONVENTION

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue

	Series I	Series II	Series III
Face Value per NCD (in ₹)	1,000	1,000	1,000
Day and Date of Allotment (tentative)	[●]	[●]	[●]
Tenure (months)	36	48	60
Coupon (%) for NCD Holders	8.93% per annum (compounded monthly payable annually) (equivalent to 9.29% XIRR)	9.25% per annum (compounded monthly payable annually) (equivalent to 9.64% XIRR)	9.29% per annum (compounded monthly payable annually) (equivalent to 9.69% XIRR)
Frequency of the coupon payment with specified dates starting from date of allotment	Annually	Annually	Annually
Day Count Convention	Actual / Actual	Actual / Actual	Actual / Actual

Series I

(Amount in ₹)

Period	Date of Coupon / Redemption Payment	Opening Outstanding	Principal	Coupon	Cashflows	Closing Outstanding
0	[●]	[●]	[●]	[●]	[●]	[●]
1	[●]	[●]	[●]	[●]	[●]	[●]
2	[●]	[●]	[●]	[●]	[●]	[●]
3	[●]	[●]	[●]	[●]	[●]	[●]

Series II

(Amount in ₹)

Period	Date of Coupon / Redemption Payment	Opening Outstanding	Principal	Coupon	Cashflows	Closing Outstanding
0	[●]	[●]	[●]	[●]	[●]	[●]
1	[●]	[●]	[●]	[●]	[●]	[●]
2	[●]	[●]	[●]	[●]	[●]	[●]
3	[●]	[●]	[●]	[●]	[●]	[●]
4	[●]	[●]	[●]	[●]	[●]	[●]

Series III

(Amount in ₹)

Period	Date of Coupon / Redemption Payment	Opening Outstanding	Principal	Coupon	Cashflows	Closing Outstanding
0	[●]	[●]	[●]	[●]	[●]	[●]
1	[●]	[●]	[●]	[●]	[●]	[●]
2	[●]	[●]	[●]	[●]	[●]	[●]
3	[●]	[●]	[●]	[●]	[●]	[●]
4	[●]	[●]	[●]	[●]	[●]	[●]
5	[●]	[●]	[●]	[●]	[●]	[●]

Notes:

1. Effect of public holidays has been ignored as these are difficult to ascertain for future period except January 26, April 1, May 1, August 15, October 2, day have been taken into consideration.
2. As per SEBI Operational Circular, in order to ensure uniformity for payment of interest / redemption on debt securities, the interest/redemption payment shall be made only on a Working Day. Therefore, if the interest payment date falls on a non-Working Day, the coupon payment shall be on the next Working Day. However, the future coupon payment dates would be as per the schedule originally stipulated. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. However, if the redemption date of the debt securities falls on non- Working Day, the redemption proceeds shall be paid on the previous Working Day.
3. Deemed Date of Allotment has been assumed to be [●].
4. The last coupon payment will be paid along with maturity amount at the redemption date



ICRA

ICRA Limited

ICRA/India Shelter Finance Corporation Limited/02112021/3

November 02, 2021

Mr. Ashish Gupta**Chief Financial Officer**

India Shelter Finance Corporation Limited

6th Floor Plot No. 15 Institutional Area,

Sector 44, Gurugram,

Haryana – 122002

Dear Sir,

Re: ICRA Credit Rating for the Rs. 165 crore Non-convertible Debenture (NCD) Programme of India Shelter Finance Corporation Limited

Please refer to the Rating Agreement/Statement of Work dated August 13, 2021 executed between ICRA Limited (“ICRA”) and your company for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]A** (pronounced as ICRA A) rating to the captioned NCD Programme. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as **[ICRA]A (Stable)**. We would request if you can provide your acceptance on the above rating(s) by sending an email or signed attached acknowledgement to us latest by **November 8, 2021** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non-accepted and shall be disclosed on ICRA’s website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai-400025

Tel.: +91.22.61693300
CIN :
L749999DL1991PLC042749

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.Tel. :+91.11.23357940-45

RATING**RESEARCH****INFORMATION**

new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

KARTHIK SRINIVASAN

2021.11.02 18:44:43 +05'30'

Karthik Srinivasan

Senior Vice President

Group Head - Financial Sector Ratings

karthiks@icraindia.com

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RATING

RESEARCH

INFORMATION

Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated November 2, 2021. I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of India Shelter Finance Corporation Limited.

For India Shelter Finance Corporation Limited

Name:

Designation:

Date:

Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at Jatin.arora@icraindia.com

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RATING

RESEARCH

INFORMATION

November 03, 2021

India Shelter Finance Corporation Limited: Ratings reaffirmed; [ICRA]A (Stable) assigned to Rs. 165-crore NCD programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Term loan	1,000	1,000	[ICRA]A (Stable); Reaffirmed
NCD programme	50	215	[ICRA]A (Stable); Reaffirmed/ Assigned
NCD programme	35	35	[ICRA]AAA(CE) (Stable); outstanding
Principal Protected Market Linked Debentures (PP-MLD)	50	50	PP-MLD [ICRA]AAA(CE) (Stable); outstanding
Total	1,135	1,300	

*instrument details are provided in Annexure-1

Rationale

The rating factors in India Shelter Finance Corporation Limited's (ISFC) established presence in the housing finance industry and steady growth in its assets under management (AUM) over the last few years. Its AUM increased to Rs. 2,516 as on September 30, 2021 from Rs. 2,199 crore as on March 31, 2021 (Rs. 1,520 crore as on March 31, 2020). The rating continues to factor in its comfortable capitalisation profile and good support from the existing investor base. The net worth, as on September 30, 2021, remained at Rs. 982 crore, while the capital-to-risk weighted assets ratio (CRAR) stood at 64.92%. Further, the rating considers the steady funding support from the lenders including National Housing Bank (NHB), private-and-public-sector banks, non-banking financial companies (NBFCs)/financial institutions (FIs) and mutual funds through NCDs. The management's outlook on the gearing has remained prudent over the company's track record with a maximum planned gearing level of 4.0 times.

The rating also factors in ISFC's good underwriting processes and conservative lending norms, translating into contained credit costs thus far. ISFC restructured 1.1% of its AUM as per the Covid-19 restructuring package announced by the Reserve Bank of India (RBI). Factoring in the same, it reported portfolio at risk (PAR) 30 and PAR 90 of 6.54% and 2.45%, respectively, as on September 30, 2021 compared to 3.93% and 1.62%, respectively, as on March 31, 2021. While ICRA notes that the entity has been able to contain the deterioration in its asset quality and credit cost, the same will remain a monitorable from the credit perspective.

The rating is constrained by the low seasoning of the portfolio as the behavioural maturity of an affordable housing finance loan typically lies between six and eight years as compared to significant growth in ISFC's portfolio during the last two-three years. ISFC reported some improvement in its profitability in FY2021 driven by assignment income. However, the same moderated in H1 FY2022 primarily on account of lower disbursement in Q1 FY2022 and incremental credit costs because of the second wave of the pandemic. ICRA expects its profitability to improve in the second half of the fiscal, supported by higher business growth and direct assignment transaction(s). Moreover, as the underlying borrower segment remains vulnerable to income shocks, the company's ability to engage with the customers and continuously improve its systems and controls to maintain the asset quality remains a monitorable.

The Stable outlook on the [ICRA]A rating reflects ICRA's opinion that ISFC will continue to benefit from its long track record of operations, established processes, the experience of its promoters and the management's focus on risk management and asset quality, and its commitment to conservative financial policies.

Key rating drivers and their description

Credit strengths

Comfortable capitalisation profile and prudent gearing levels – ISFC has a strong investor base and a comfortable capitalisation profile supported by regular capital infusions by the investors. It has maintained low gearing levels thus far as the management aims to grow in a calibrated manner. With a net worth of Rs. 982 crore as on September 30, 2021 and a gearing of 2.0 times, ISFC has sufficient headroom to achieve the planned growth by deploying additional debt capital while simultaneously maintaining good capitalisation. The CRAR, as on September 30, 2021, was at 64.92%, while the net worth, as a percentage of AUM, stood at ~39%.

Good underwriting processes and conservative lending norms – Given the vulnerability of the borrower profile, ISFC has developed a strong credit appraisal process, which includes repeated discussions with the borrower, neighbourhood checks, cash flow analysis. It also undertakes assessment of viability of other family income like rentals and visits to the workplace to establish the income, expenses and debt repayment capacity. Further, the company has a separate centralised in-house team, which reviews every case sanctioned at the field level before disbursement. ISFC has strong risk management systems, in-house technical and valuation teams, uses credit scorecards and has regular monitoring, which helps it in maintaining the asset quality indicators and make recoveries from delinquent exposures.

Continued funding support from NHB and banks; diversification in funding profile expected going forward – While the company's debt capital requirement has been relatively low thus far, given the pace of growth and good capital base, lender support has been good. As on September 30, 2021, ISFC had funding relationships with 28 distinct lenders including 15 privates sector banks and six public sector banks. While 27% of the on-book borrowings outstanding as on September 30, 2021 were from NHB, another 55% were from banks and the remaining ~18% were from NCDs and NBFCs/FIs. The company uses direct assignment as a source of funding. ICRA expects continued diversification in the funding profile as ISFC increases its debt capital to fund portfolio growth. The company has been able to raise funds at competitive prices despite the challenging macro-economic environment.

Credit challenges

Limited portfolio seasoning as significant portion of book sourced in last few years – ISFC has a long track record of operations of more than a decade in the affordable housing sector. However, the overall portfolio remains under-seasoned as housing loans are long-tenor assets and most of its portfolio growth has happened recently. ICRA notes that the company's AUM grew by 45% YoY to Rs. 2,199 crore as on March 31, 2021 from Rs. 1,520 crore as on March 31, 2020 with a significant ramp-up in disbursements in H2 FY2021. In H1 FY2022, it recorded an annualised growth of ~31% with closing AUM of Rs. 2,516 crore as on September 30, 2021. Considering the limited vintage of a significant part of the portfolio, ISFC's ability to achieve a sustainable scale remains important for geographical diversification and its profitability.

Ability to sustain/further improve profitability while scaling up amid increasing competition – ISFC's profitability improved in FY2021, amid increasing scale of operations. However, in H1 FY2022, the profitability declined on account of lower disbursements in Q1 FY2022 (which was in line with industry), lack of direct assignment income and increased credit cost because of the Covid-19 second wave. The company reported a return on managed assets (RoMA) and a return on average net worth (RoNW) of 2.7% and 8.0%, respectively, in H1 FY2022 as against 3.9% and 9.8%, respectively, in FY2021. The profitability in FY2021 was primarily supported by the reduction in cost of funds while maintaining the yield on its incremental disbursements above 15%, given the lower interest rate environment and lower-cost NHB funding support, rationalisation of operating expenses and direct assignment income, which is accounted for upfront under Ind-AS. A significant increase in the direct assignment quantum compared to the previous periods leads to the buffering of the net profitability. The company's

ability to maintain its yield and lending spreads in the competitive environment, keeping the operating expenses at an optimum level and contain the credit cost impact, will remain a monitorable from a profitability perspective while it scales up its operations.

Deterioration in asset quality metrics due to exposure to relatively vulnerable borrower profile and Covid-19 induced stress

– The company’s underlying borrower base comprises low-and-middle-income self-employed individuals (~64% share in the total portfolio as on March 31, 2021), who are relatively more vulnerable to economic cycles and have limited income buffers to absorb income shocks. The reported PAR 30 and PAR 90 increased to 6.54% and 2.45%, respectively, as on September 30, 2021 (with peak of 7.98% and 4.65%, respectively, in June 2021 and July 2021) from 3.93% and 1.62%, respectively, as on March 31, 2021. Further, ISFC has restructured around 1.1% of its AUM under the RBI’s Covid-19 relief framework. ICRA notes that ISFC has discontinued financing to borrowers with undocumented income and cash salaried profiles and it has seen improvement in the overall collection from May 2021 and onwards. The losses on default are expected to be limited, considering the secured nature of the portfolio with moderate loan-to-value (LTV) ratios. The risk is partly mitigated by in-house origination and prudent lending and portfolio tracking processes. Nevertheless, the company’s ability to contain further slippages and recover from overdue and restructured accounts will remain critical from a credit perspective.

Liquidity position: Strong

The company’s liquidity is **strong** with Rs. 421 crore of free cash and liquid investments (provisional) as on September 30, 2021 for debt obligations (including interest) and operational expenses of Rs. 666 crore over the next one year (i.e. up to August 31, 2022). It has pending collections (including interest) worth Rs. 828 crore due for the aforementioned period. Further, it has unavailed sanctions to the tune of Rs. 500 crore.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company demonstrates an improvement in its profitability indicators with the RoMA exceeding 3.5% on a sustainable basis. This, along with prudent capitalisation and good asset quality with a gross NPA of less than 1.5%, on a consistent basis, could result in a rating upgrade.

Negative factors – Pressure on the company’s rating could arise if there is a deterioration in the asset quality with the gross NPA exceeding 3.0% on a sustained basis, thereby affecting the profitability. The weakening of the capitalisation profile (managed gearing above 4.0 times on a sustained basis) or a stretch in the liquidity could also exert pressure on the rating.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA’s Methodology for Housing Finance Companies
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

ISFC is a housing finance company incorporated in 1998 as Satyaprakash Housing Finance. The company was acquired by the current investors in September 2009. It is focused on the low-cost and affordable housing segment, targeting self-employed customers in the informal low-and-middle-income segment. As on September 30, 2021, the company had a managed portfolio of Rs. 2,516 crore spread across 15 states/UTs. It offers loans to customers for home improvement, home extension, construction of dwelling units on an owned plot of land, home purchase and loan against property.

ISFC reported a profit of Rs. 38 crore in H1 FY2022 on an AUM of Rs. 2,516 crore as on September 30, 2021 vis-à-vis a profit of Rs. 87 crore in FY2021 on an AUM of Rs. 2,199 as on March 31, 2021. The gross and net NPAs stood at 2.7% and 1.8%, respectively, as on September 30, 2021.

Key financial indicators (Ind-AS)

India Shelter Finance Corporation Limited	FY2019	FY2020	FY2021	H1 FY2022
	Audited	Audited	Audited	Provisional
Total income (Rs. crore)	166	230	321	185
Profit after tax (Rs. crore)	30	47	87	38
Net worth (Rs. crore)	800	848	937	982
Gross AUM (Rs. crore)	1,178	1,520	2,199	2,516
Return on average managed assets (%)	2.6%	2.9%	3.9%	2.7%
Return on average net worth (%)	4.5%	5.7%	9.8%	8.0%
Gearing (on-book; times)	0.6	1.1	1.6	2.0
Gross NPA (%)	1.35%	1.29%	1.65%	2.68%
Net NPA (%)	0.94%	1.07%	1.13%	1.78%
Solvency (Net NPA/Net worth)	1.36%	1.90%	2.63%	~4.3%
CRAR (%)	91.16%	81.12%	69.65%	64.92%

Source: Company, ICRA Research; All values and ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Oct 31, 2021 (Rs. crore)	Date & Rating in FY2022		Date & Rating in FY2021		Date & Rating in FY2020		Date & Rating in FY2019	
					Nov-3-2021	Jun-11-2021	Dec-31-2020	Nov-27-2020	Oct -7-2019	Feb-15-2019	May-03-2018	
1	NCD	Long Term	50.00	45.00	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Positive)	
2	NCD	Long Term	165.00	-	[ICRA]A (Stable)	-	-	-	-	-	-	
3	Fund Based – Term Loan	Long Term	1,000.00	690.30	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Positive)	

Source: ICRA Research

Complexity level of the rated instrument

Instrument	Complexity Indicator
Bank Lines	Simple
NCD Programme	Very simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's

credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No/ Lender Name	Name of instrument	Date of Issuance	Coupon Rate	Maturity Date	Rated Amount (Rs. crore)	Current Rating and Outlook
INE922K07054	NCD	Jun-12-20	10.25%	Jun-12-2023	15.00	[ICRA]A (Stable)
INE922K07070	NCD	Aug-31-21	Repo rate linked	Aug-31-2026	30.00	[ICRA]A (Stable)
Unallocated	NCD	-	-	-	170.00	[ICRA]A (Stable)
AU Small Finance Bank Limited	Term Loan	Jun-27-2019	7.50% to 11.20%	Jul-3-2024	27.50	[ICRA]A (Stable)
AU Small Finance Bank Limited	Term Loan	Jan-28-2021		Jan-3-2026	13.00	[ICRA]A (Stable)
Axis Bank Limited	Term Loan	Mar-23-2020		Aug-31-2023	10.91	[ICRA]A (Stable)
Bandhan Bank Ltd	Term Loan	Oct-16-2019		Oct-31-2024	15.42	[ICRA]A (Stable)
Bank of Baroda	Term Loan	Dec-24-2019		Feb-29-2024	44.29	[ICRA]A (Stable)
CSB Bank Limited	Term Loan	Jan-13-2021		Feb-23-2026	22.50	[ICRA]A (Stable)
DCB Bank Limited	Term Loan	Jun-16-2018		Jul-30-2023	7.37	[ICRA]A (Stable)
Equitas Small Finance Bank	Term Loan	Nov-29-2019		Jan-5-2025	0.00	[ICRA]A (Stable)
Equitas Small Finance Bank	Term Loan	Nov-29-2019		Feb-5-2025	5.00	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Jan-23-2017		Feb-13-2024	1.79	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Jan-23-2017		Feb-13-2024	3.70	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Aug-31-2017		Sep-29-2023	16.67	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Aug-29-2019		Aug-31-2023	12.50	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Jun-4-2020		Jun-29-2024	16.67	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Sep-22-2020		Sep-29-2027	21.13	[ICRA]A (Stable)
IndusInd Bank Limited	Term Loan	Mar-30-2016		Sep-30-2022	0.76	[ICRA]A (Stable)
IndusInd Bank Limited	Term Loan	Nov-4-2019		Dec-31-2023	2.71	[ICRA]A (Stable)
Kotak Mahindra Bank Limited	Term Loan	Mar-9-2016		Jul-26-2021	0.00	[ICRA]A (Stable)
Kotak Mahindra Bank Limited	Term Loan	Jun-21-2019		Jul-18-2023	6.56	[ICRA]A (Stable)
Punjab & Sind Bank	Term Loan	Sep-29-2016		Jun-30-2025	0.00	[ICRA]A (Stable)
RBL Bank Limited	Term Loan	Sep-10-2015		Dec-31-2023	2.81	[ICRA]A (Stable)
RBL Bank Limited	Term Loan	Sep-10-2015		Mar-30-2024	2.34	[ICRA]A (Stable)
RBL Bank Limited	Term Loan	Sep-10-2015		Apr-20-2024	2.34	[ICRA]A (Stable)
RBL Bank Limited	Term Loan	Sep-27-2019		Oct-31-2023	18.67	[ICRA]A (Stable)
State Bank of India	Term Loan	Feb-24-2017		Feb-26-2025	22.22	[ICRA]A (Stable)
Federal Bank Limited	Term Loan	Mar-3-2018		May-30-2023	10.29	[ICRA]A (Stable)
Federal Bank Limited	Term Loan	Jun-15-2019		Jun-28-2024	13.33	[ICRA]A (Stable)
Federal Bank Limited	Term Loan	Oct-20-2020		Dec-31-2024	23.75	[ICRA]A (Stable)
UJJIVAN SMALL FINANCE BANK	Term Loan	Sep-18-2020		Sep-30-2024	21.88	[ICRA]A (Stable)
Utkarsh Small Finance Bank	Term Loan	Dec-24-2020		Dec-31-2024	19.79	[ICRA]A (Stable)
Bandhan Bank Ltd	Term Loan	Nov-25-2020		Nov-1-2027	48.45	[ICRA]A (Stable)
Yes Bank Limited	Term Loan	Oct-27-2020		Dec-29-2025	30.70	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Mar-15-2021		Mar-25-2028	45.83	[ICRA]A (Stable)
KARNATAKA BANK LIMITED	Term Loan	Mar-29-2021		Jan-31-2024	27.00	[ICRA]A (Stable)
RBL Bank Limited	Term Loan	Mar-17-2021		Mar-30-2025	34.17	[ICRA]A (Stable)
SBM Bank (India) Ltd	Term Loan	Mar-8-2021		Mar-31-2026	20.00	[ICRA]A (Stable)
Federal Bank Limited	Term Loan	Mar-25-2021		Mar-31-2025	42.71	[ICRA]A (Stable)
UJJIVAN SMALL FINANCE BANK	Term Loan	Mar-25-2021		Mar-31-2026	17.67	[ICRA]A (Stable)
Kotak Mahindra Bank Limited	Term Loan	Jun-17-2021		Jun-29-2026	46.67	[ICRA]A (Stable)

ISIN No/ Lender Name	Name of instrument	Date of Issuance	Coupon Rate	Maturity Date	Rated Amount (Rs. crore)	Current Rating and Outlook
BANK OF MAHARASHTRA	Term Loan	Jul-31-2021		Jul-21-2026	33.25	[ICRA]A (Stable)
IndusInd Bank Limited	Term Loan	Jul-9-2021		Jul-8-2025	32.81	[ICRA]A (Stable)
LIC Housing Finance Limited	Term Loan	Aug-31-2021		Sep-1-2031	47.60	[ICRA]A (Stable)
RBL BANK LIMITED	Term Loan	Mar-17-2021		Sep-15-2025	9.79	[ICRA]A (Stable)
CSB BANK LTD	Term Loan	Sep-20-2021		Sep-29-2026	25.00	[ICRA]A (Stable)
South Indian Bank	Term Loan	Sep-22-2021		Sep-22-2028	15.00	[ICRA]A (Stable)
HDFC BANK LIMITED	Term Loan	Sep-16-2021		Sep-30-2026	73.75	[ICRA]A (Stable)
INDIAN BANK	Term Loan	Sep-27-2021		Sep-15-2028	24.00	[ICRA]A (Stable)
Suryoday Small Finance Bank	Term Loan	Oct-27-2021		Oct-31-2026	20.00	[ICRA]A (Stable)
Unallocated	Term Loan	-	-	-	39.70	[ICRA]A (Stable)

Source: Company data

Annexure-2: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

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MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

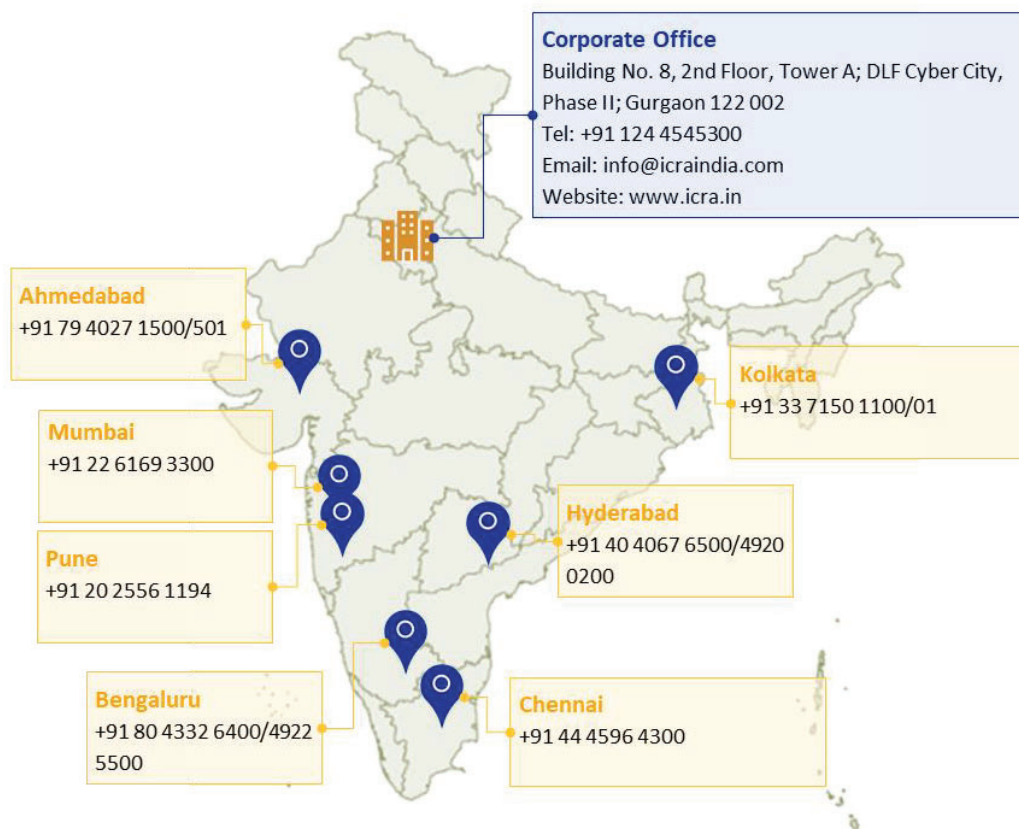


Registered Office

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Branches



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ICRA

ICRA Limited

ICRA/India Shelter Finance Corporation Limited/15122021/1

December 15, 2021

Mr. Ashish Gupta

Chief Financial Officer

India Shelter Finance Corporation Limited

6th Floor Plot No. 15 Institutional Area,

Sector 44, Gurugram,

Haryana – 122002

Dear Sir,

Re: ICRA rating for Rs. 215-crore non-convertible debenture of India Shelter Finance Corporation Limited

Please refer to your request dated December 13, 2021 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA] A (pronounced as ICRA A) rating with a Stable outlook assigned to your captioned programme and last communicated to you vide our letter dated November 2, 2021 stands. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref: ICRA/India Shelter Finance Corporation Limited/02112021/2 dated November 2, 2021.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

KARTHIK SRINIVASAN

2021.12.15 11:19:42 +05'30'

Karthik Srinivasan

Senior Vice President

Group Head - Financial Sector Ratings

karthiks@icraindia.com

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Prabhadevi, Mumbai-400025

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Email: info@icraindia.com
Helpdesk: +91 9354738909

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RATING

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INFORMATION

Annexure

Rated Instrument	Rated Amount (In Crores)	Amount Outstanding (In Crores)	Rating Action
NCD			
INE922K07054	15	15	[ICRA]A (stable); Revalidated
INE922K07070	30	30	[ICRA]A (stable); Revalidated
INE922K07096	50	50	[ICRA]A (stable); Revalidated
Not issued	120	-	[ICRA]A (stable); Revalidated
Total	215	95	

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RATING

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INFORMATION



CL/MUM/21-22/DEB/714

November 26, 2021

To
Board of Directors
India Shelter Finance Corporation Limited
6th Floor, Plot 15, Institutional Area,
Sector 44 Near Huda metro station,
Gurugram - 122002, Haryana

Dear Sir,

Sub.: Proposed Public Issue of Non-Convertible Debentures by India Shelter Finance Corporation Limited Secured aggregating upto Rs 100 Crores.

We, Catalyst Trusteeship Limited, hereby give our Consent for including our name as Debenture Trustee to the proposed Public Issue of Non-Convertible Debentures by India Shelter Finance Corporation Limited in the Draft Prospectus / Prospectus to be filed with SEBI and / or Stock Exchanges and / or Registrar of Companies which the Company intends to issue in respect of the abovementioned Public Issue. We also authorize you to deliver a copy of this consent to SEBI / the Stock Exchanges / Registrar of Companies.

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 declaration regarding our registration with SEBI as Annexure A and a copy of our registration certificate enclosed herein as Annexure B.

We also confirm that we have not been prohibited from SEBI to act as an intermediary in capital market issues.

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.

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 confirm that we will immediately inform you and the Lead Manager of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges.

In 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 you, the Lead Manager and the legal advisors to the Issue in respect of the Issue.

Yours faithfully,

For Catalyst Trusteeship Limited

NCLakshani

Authorised Signatory

Name: *Neeraj C. Lakshani*

Designation: *Senior Manager*



ANNEXURE A

To,
India Shelter Finance Corporation Limited
6th Floor, Plot 15, Institutional Area,
Sector 44 Near Huda metro station,
Gurugram - 122002, Haryana

Dear Sir,

Sub: Proposed Public Issue of Non-Convertible Debentures ("NCDs") by India Shelter Finance Corporation Limited ("Company") aggregating upto Rs. 100 crores

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India is true and correct:

1.	Registration Number	IND000000034
2.	Date of registration/ Renewal of registration	July 29, 2016
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	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

Please find enclosed a copy of the SEBI Registration Certificate.

Yours faithfully,

For Catalyst Trustee Ship Limited

Authorised Signatory

Name: Neeraj Chavanani

Designation: Senior Manager



डिबेंचर न्यासी

फॉर्म 8
FORM-8

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 258

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION PERMANENT REGISTRATION

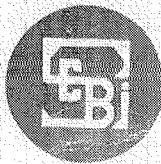
- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदान शक्तियों का प्रयोग करते हुए,
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and 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 कृत 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 विनियम बोर्ड
के लिए और उसके 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 (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
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CIN No. U74999PN1997PLC110262 Email dt@ctitrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

